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PUBLIC BROADCASTING—THE 20TH ANNIVERSARY

HEARING

BEFORE THE

SUBCOMMITTEE ON COMMUNICATIONS

OF THE

COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

UNITED STATES SENATE

ONE HUNDREDTH CONGRESS

FIRST SESSION

ON

THE 20TH ANNIVERSARY OF PUBLIC BROADCASTING

NOVEMBER 12, 1987

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PUBLIC BROADCASTING—THE 20TH ANNIVERSARY

THURSDAY, NOVEMBER 12, 1987

U.S. SENATE,
COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION,
SUBCOMMITTEE ON COMMUNICATIONS,
Washington, D.C.

The subcommittee met, pursuant to notice, at 9:00 a.m. in room SR-253, Russell Senate Office Building, Hon. Daniel K. Inouye [chairman of the subcommittee] presiding.

Staff members assigned to this hearing: Toni Cook, staff counsel; Katherine Meier; and Gina Keeney, minority staff counsels.

OPENING STATEMENT BY SENATOR INOUYE

Senator INOUYE. The hearing will please come to order.

Public broadcasting has been an integral part of the American broadcasting system since its inception in the 1920's. A public broadcasting station was one of the first radio stations to go on the air in the early 1920's. Public broadcasters have been innovators both in the area of programming and technology.

In fact, PBS was one of the first organizations to test satellites as a mechanism for distributing program to affiliates. Since its beginnings, public broadcasting has grown to become synonymous with quality programming, addressing a wide range of issues and concerns.

These facts demonstrate that public broadcasting has come a long way towards achieving its goals. When the Public Broadcasting Act of 1967 was passed, its basic purpose was to encourage the growth and development of public radio and television broadcasting for instructional, educational, and cultural purposes, to develop technologies for the delivery of public telecommunications services, and expansion and development of the diversity of its programming.

I think that we can all agree that public broadcasting has worked to fulfil those goals, and for the most part successfully.

One of Congress' goals in establishing the Corporation for Public Broadcasting was to afford maximum protection from extraneous interference and control. Many, including our colleague Senator Terry Sanford in his testimony today, assert that the CPB itself has been used by various Administrations to influence and attempt to control public broadcasters.

It is clear that has been a matter that needs continuing attention. The purpose of this oversight hearing is to explore the success and problems with public broadcasting. In the 20 years since the Public Broadcasting Act was passed, the number of non-commercial stations and the available programming has increased tremendously.

At the same time, a number of alternative sources of programming have evolved, particularly video services. With the knowledge and experience we have gained in the past 20 years, we must now look to the future and to determine where public broadcasting is headed and the best way to get there.

Our first task is to determine what the goals of public broadcasting are today and what they should be for the coming two decades. Our next task is to determine how those goals should be met.

And I join my committee in welcoming all of you here today. And each of you is very familiar with the public broadcasting industry, and we look forward to hearing from you.

Our first witness is Mr. Donald Ledwig, the President of the Corporation for Public Broadcasting.

STATEMENT OF DONALD LEDWIG, PRESIDENT, CORPORATION FOR PUBLIC BROADCASTING

Mr. LEDWIG. Mr. Chairman, thank you. Good morning.

Over 20 years ago, the Senate Commerce Committee issued a report accompanying the bill that would become the Public Broadcasting Act of 1967. The report tasked the CPB with assisting in the growth and development of public broadcasting nationwide through the expansion of broadcasting facilities, the interconnection of stations, and the fostering of the production of diverse, high-quality programming.

The legacy of this committee's vision is before you today. In the last 20 years, public broadcasting has evolved from a collection of isolated local stations into a nationally interconnected, but locally controlled, vibrant broadcasting service, funded by a wide range of sources and providing important, innovative, and diverse programming of high quality for all Americans.

CPB funding and leadership have been critically important throughout the development of the national system, from the creation of PBS and National Public Radio, to funding for such important programming as Sesame Street, American Playhouse, The MacNeil-Lehrer Newshour, and All Things Considered, to mention only a few.

Now what are the future needs of public broadcasting? If public broadcasting is to continue to grow and develop, and if public broadcasting is to continue to provide the quality of programming that the American people deserve and have come to expect, then public broadcasting needs: first, a secure, stable source of funding.

We are deeply grateful to you, Mr. Chairman, and to Senator Hollings and to this committee for the major step you have just taken toward establishing a new trust fund to provide that secure funding.

Second, replacement of the public broadcasting satellite interconnection system by the early 1990s. We are also deeply grateful for this committee's action authorizing satellite replacement funding.

Third, the assurance that cable television systems will carry our programs.

Fourth, the ability to deliver programs of the highest technical quality, including stereo and high definition television, digital audio, and interactive educational video.

And fifth, expansion of the public radio signal to reach larger audiences and to serve the 18 percent of the population that cannot now be reached by public radio.

If this is accomplished, public broadcasting will enter its third decade of national service ready to provide a continuous flow of important, original, and quality programming for all Americans. Thus we will be able to continue to serve our audiences in their roles as citizens, thinkers, and achievers, and not just as consumers.

Thank you, Mr. Chairman.

[The statement follows:]

STATEMENT OF DONALD E. LEDWIG, PRESIDENT AND CHIEF EXECUTIVE OFFICER, CORPORATION FOR PUBLIC BROADCASTING

INTRODUCTION

Chairman Inouye, My name is Donald E. Ledwig. I am President and Chief Executive Officer of the Corporation for Public Broadcasting (CPB).

Over twenty years ago—on May 11, 1967—the Senate Committee on Commerce filed its report to accompany the bill, S. 1160. On November 7, 1967, that legislation was signed into law by then President Johnson as the PUBLIC BROADCASTING ACT OF 1967.

The vision of public broadcasting and the mandate for CPB as set forth by the Commerce Committee in its Report and reflected in the Act, can be summarized as follows. CPB would: encourage and facilitate the expansion and development of noncommercial broadcasting and of program diversity; 2. assist in development of an interconnection system for public broadcasting: intrastate, regional, and national; 3. provide financial support to stations for production and procurement of creative and innovative programs, support for local programs and other costs; and 4. encourage the development of new diverse program sources from which programs of high quality can be made available to noncommercial broadcasting.

Now, let me provide a thumbnail sketch of how public broadcasting has developed as a result of the broad mandate this Committee provided CPB 20 years ago.

In 1968, CPB was incorporated in the District of Columbia under its nonprofit statute.

In 1969, the first nationwide landline link for public television went live, followed shortly by interconnection for public radio. These allowed noncommercial stations to share programming of more than local interest.

Also in 1969, CPB and the public television stations created the Public Broadcasting Service (PBS) to schedule the distribution of programming among local stations. Also that year, CPB provided a morning distribution for Sesame Street and made a large grant to the producers, recognizing Sesame Street as a major breakthrough in television programming for preschool children.

In 1970, CPB and the public radio stations created National Public Radio (NPR) to produce and distribute programs for local radio stations.

In 1975, enactment of the Public Broadcasting Financing Act provided, for the first time, multiyear authorization of financing for public broadcasting.

By the end of 1978, under CPB leadership and with Congressional support, the nation's first satellite system for linking broadcast stations became fully operational, connecting all 274 public television stations; in 1979, the public radio satellite service

began. In 1980, the CPB Program Fund was established to reinforce the role of CPB in fostering innovative and diverse programming of the highest possible quality.

In 1981, the $150 million Annenberg/CPB Project for telecommunications and higher learning was launched with privately donated funds to develop new ways to bring college instruction to distant learners.

In 1982, American Playhouse debuted as the only regularly scheduled series for original American drama on television.

In 1983, the MacNeil/Lehrer NewsHour initiated the nation's first hour-long nightly television news show and Frontline, a weekly, hour-long documentary program became the nation's only regularly scheduled documentary series, with virtually all of its programming produced by independent producers.

In 1984, The Brain and The Constitution: That Delicate Balance, funded by the Annenberg/CPB Project, debuted on PBS. In 1985, CPB initiated the Public Television Outreach Alliance, a collaboration of documentary programming with community action to deal with national societal problems such as drug abuse and illiteracy.

WHAT IS THE STATE OF PUBLIC BROADCASTING?

The legacy of this Committee's vision of two decades ago is before you today: public broadcasting is a nationally interconnected but locally controlled, vibrant, and viable broadcasting service, funded by diverse sources and providing important, innovative and diverse cultural and educational programming of high quality for all Americans.

Today, the public broadcasting system is composed of more than 320 television stations and almost 300 radio stations. Public television now reaches fully 93 percent of the American people over the air; public radio signals reach 82 percent of all Americans. Public broadcast programming is of such a unique quality that it stands out as an important alternative form of broadcasting. Indeed, many millions of Americans rely on our public service to provide an important part of their educational, informational, and cultural life. It is difficult to imagine American broadcasting without it.

Federal funding of public broadcasting through CPB plays a critical leadership and catalyst role which makes possible the aggregation of larger amounts of nonfederal funds. This leveraging of the federal contribution exerts a multiplier effect bringing in substantial amounts of nonfederal support. CPB is the only major source of aggregated funds available to launch new initiatives, take bold actions, and otherwise facilitate the national development of the system. For these and other reasons, no national public broadcasting system we are aware of operates without government funds. And we do it in America at a fraction of the cost paid by other national governments.

In addition to providing stations and independent producers with the seed money for long-term program productions, CPB provides the system with essential planning and development services that enable public broadcasting to grow and adapt to the changing telecommunications environment. As a catalyst, providing training, instruction, recruiting, and research, CPB extends public broadcasting,s reach to the needs and interests of the physically challenged, minorities, and other unserved Americans. For example, CPB: (1) fosters systemwide strategic planning and research and works with stations to help them improve the services they provide in a rapidly changing media environment; (2) conducts human resource development programs to continually improve the skills of the system's most valuable asset: the dedicated individuals who work in public broadcasting; (3) provides management consulting and other assistance to minority controlled stations struggling to meet public broadcasting standards and community needs; (4) provides resources to independent and minority producers to bring a diversity of voices to American audiences; (5) provides substantial support for quality children's educational programming. (6) makes possible more than 26,000 hours of programs for the visually impaired through the Association of Radio Reading Service Tape Exchange; provides support for the In-Touch Networks Inc., a 24-hour national satellite service; and helps provide for close-captioning of about 24 hours per week of public television programming for the hearing impaired.

FUTURE CHALLENGES

What does public broadcasting need to best serve the American people in the next 20 years?

First and foremost, a secure and stable source of federal funding must be established. This Committee has taken a major innovative step toward solving this problem with the Public Broadcasting Trust Fund it proposed in its FY 88 budget reconciliation package. We are grateful for that farsighted proposal.

Second, in the coming years public broadcasters will be called upon to find new ways to provide their services in a rapidly changing economic and technological environment. CPB can provide vital planning, research, development, consulting, and other "synergistic" services only if it retains broad discretionary authority to respond to changing conditions and needs in the system.

Third, public broadcasting's satellite interconnection system will require replacement in the early 1990s. This Committee's budget proposal also included authorization for replacement funding, for which we are also deeply grateful because it will keep us on the air nationally.

Fourth, public television must be afforded assurance of cable carriage. Without access to cabled households, public television stations cannot serve their local communities, and public television as a whole will suffer. While public broadcasting is not guaranteed an audience, in 1952 the FCC did grant public broadcasting access to audiences by reserving part of the broadcast spectrum for public broadcasting purposes. However, times have changed. Half the homes in America now receive their TV signals through government-franchised cable systems. We need access to those Americans so they can exercise the option of seeing the programs they have funded.

And what will be the major opportunities facing public broadcasters in the next twenty years?

First, public television is poised to assist the educational community and local service agencies in addressing the educational crisis facing this nation. Over the last twenty years the public has invested in development of a nationwide telecommunications service, and that system is in place and ready to expand its services to the American people. With sufficient federal support, public television can reach preschool, in-school, adult learners and non-traditional educational groups with high quality instructional programming to improve literacy and help America regain its competitiveness; and address with the local community many of our nation's distressing social problems.

Second, public television and radio must marshal the resources to provide a continuous flow of original and distinctive program services to complement the services offered by commercial media. Public broadcasting has served the public interest through many forms of programming and should continue to focus on identifying and meeting the needs of our citizens.

Third, public television and radio must continue to serve the nation by providing the highest technical quality in our programs, whether high definition and stereo television, or digital audio, interactive video for education or direct broadcast satellite distribution of classroom instruction to remote schoolhouses.

Finally, every opportunity should be taken to improve and extend the public radio signal to reach larger radio audiences and to serve the 18 percent of the population not now reached by a public radio signal.

In summary, I believe opportunities lie in improving what we do best, which is providing public service programming designed to serve our audience in their roles as citizens, thinkers and achievers, not just consumers.

Thank you for the opportunity to share with the Subcommittee these thoughts on public broadcasting's past and its future. I would be pleased to answer any questions or to participate in discussion of these issues.

Senator INOUYE. I would like to suggest that we listen to the panel before we begin our questioning, if that is okay.

Our next witness is Mr. Bruce Christensen, the President of the Public Broadcasting Service.

STATEMENT OF BRUCE CHRISTENSEN, PRESIDENT, PUBLIC BROADCASTING SERVICE

Mr. CHRISTENSEN. Thank you and good morning, Mr. Chairman and Senators. Thank you for the opportunity to appear before your subcommittee this morning.

I have testimony to submit for the record, but I will summarize that in the three minutes allowed for opening statements.

Senator INOUYE. Without objection, your full statement will be made part of the record.

Mr. CHRISTENSEN. Thank you.

As we celebrate the twentieth anniversary of the Public Broadcasting Act, it is fitting to pause and take stock of the enormous strides public television has made. Despite that success, we know there is much more to be done if we are to make the riches of our human heritage available to each citizen and the nation.

The yardstick by which to measure our progress is found in the principles that have shaped our national public broadcasting policy: universal access for all Americans to the civilizing, educating experiences of mankind; quality programming that serves the needs of audiences mostly ignored by the commercial marketplace; diversity of editorial perspectives and local community responsibility and control of the most powerful medium of our age.

Measured by these standards, the Congress can be proud of public television's achievements. But rather than dwell on those accomplishments this morning, I would like to focus on three policy areas that must be resolved if the American people are to receive the full benefits of public television's unique potential.

Our single most important need today, as Mr. Ledwig has already said, is a reliable and long term source of adequate financing. Securing such funding is the great unfinished business of this enterprise. It is the key to sustaining programming excellence, preserving the institution's non-commercial nature, and extending its usefulness to the homes, the schools, and the work places of America.

Members of this subcommittee have taken the most important and courageous steps in 20 years to solve this particular problem.

The second great need relates to the rapidly changing communications environment in which we live. For public television to fully serve the citizens of this nation, policy makers must assure that new technologies be exploited for both their commercial and their non-commercial nature. Provisions for both uses must remain part of our communications policy framework, regardless of the technology, be it cable, broad band home delivery by telephone or common carriers, direct broadcast satellite, or some as yet undiscovered delivery system.

Failure to do so will deny Americans, millions of Americans, access to the richness of public service programming.

And finally, over the last 20 years there have been a number of improper attempts to influence public television's programming. Such threats, regardless of where they originate, strike at the core of public television's editorial integrity and independence.

They undermine the public's confidence in our efforts to provide the nation with differing editorial perspectives and opinions. Policymakers should take whatever steps are necessary to provide public broadcasting with the greatest insulation possible from improper political or funder influence.

Except for wise policymakers who saw fit to nurture broadcast channels for non-commercial educational uses, public television would not exist today. We stand at the beginning of the 1990's, and as we are here perhaps even greater wisdom will be needed to guarantee for all Americans continued access to the richness, the diversity, and the quality of public service programming.

Those of us in public television welcome the opportunity to work with this subcommittee to achieve these objectives.

Thank you, Mr. Chairman, for all that you and your colleagues have done for public television. We are most grateful.

[The statement follows:]

STATEMENT OF BRUCE L. CHRISTENSEN, PRESIDENT, PUBLIC BROADCASTING SERVICE

This nation owes an enormous debt to the tireless men and women who were determined that the public's airwaves should be used for more than commerce. They joined forces with policymakers of great vision to create the radio and television institutions that today comprise public broadcasting. Armed with the proposition that universal access to the civilizing, educating experiences of mankind serves the national interest, they fought for and eventually won the right to make their dream a reality.

Those who dreamed such dreams believed the highest use of the airwaves would be achieved if art, drama, history, music, philosophy, science, news, and political analysis could be part of every citizen's national birthright. By the flick of a switch, public television would breach the barricades of privilege and geography that heretofore had limited access to the richest treasures of civilization to those in our major urban centers and the well-to-do.

"Public radio and television at their best represent a democratic society's commitment to extend to all the people cherished experience that would otherwise be known only to the few," said Michael Rice in his monograph entitled, "Public Television: Issues of Purpose and Governance."

The twentieth anniversary year of Congress' enactment of the Public Broadcasting Act of 1967 is a fitting occasion on which to take stock of the enormous strides public television has made toward realizing those dreams and of the distance yet to travel.

TWENTY YEARS OF ACHIEVEMENT

During this twenty-year period, national public broadcasting policy has been shaped by Congressional efforts to assure that the American people have universal access to quality programming that reflects a diversity of editorial perspectives, serves the needs of audiences mostly ignored by the commercial marketplace, and is grounded on the bedrock of community responsibility and control. These principles, which are equally valid today, provide the yardstick by which public television's progress must be measured.

Public Television's Commitment to Quality Programs

As a noncommercial broadcast service, public television is not constrained by the commercial necessity of delivering mass audiences to advertisers. Therefore, from its inception, public television's special mission has been to provide the American public with programs whose value is measured not in financial terms but in terms of service to the community, artistic and creative excellence, educational value, responsiveness to special audience needs, and ability to enlighten, entertain, and inform. Although public television has sometimes fallen short of these goals, some programming achievements have so enriched our experience that they surpass our grandest aspirations.

Today, America's public television service is the benchmark for programs of enduring value and for which there is special need.

For our children: "Sesame Street," "Mr. Rogers' Neighborhood," "3-2-1 Contact," "The Electric Company," "Wonderworks," "Square One TV," "DeGrassi Junior High," and "Reading Rainbow."

For students and learners of all ages, from preschool through college and at the workplace: educational and instructional television services, PBS's Adult Learning Service, and the National Narrowcast Service. Each year more than 18.5 million children in schools across the country view instructional programs brought to them by their local public television station on every subject imaginable. Next fall, PBS's Adult Learning Service, which offers telecourses through colleges and universities nationwide, will celebrate the enrollment of its 1,000,000th student since its inception just six years ago.

For thoughtful, fair and balanced presentations of important issues: "The MacNeil/Lehrer News Hour" (the first and only early evening network news hour), "Frontline," "Firing Line," "Tony Brown's Journal," "Adam Smith's Money World," "Wall Street Week," "American Interests."

For the best of America's artists and the arts: "American Playhouse," "Great Performances," "Live From Lincoln Center," "Live From the Met," "Dance in America," "In Performance at the White House," "Austin City Limits," "American Masters."

For regularly-scheduled programs about science, nature and technology: "Nova," "Nature," "The National Geographic Specials," "Innovation," "Discov-

er: The World of Science," "Smithsonian World," "Newton's Apple," "Wild America."

For community service "outreach" projects—the union of television programming and coordinated nationwide community action to combat social problems: "The Chemical People," "Generation at Risk," "Child Sexual Abuse: What Your Children Should Know," "Breathing Easy," "Drink, Drank, Drunk," "Project Literacy U.S."

Constrained by a world of scarce financial resources, public television has preferred to treat what some would deem severe limitations as challenges. Rather than rely on the familiar, public television has ventured to explore and nurture the new and unusual, to probe the medium's unknown territories, to innovate, to experiment, to develop new program services and formats, and to be provocative in execution as well as in substance. Examples of public television innovations include:

"The Public Broadcasting Laboratory," seen on public television in the late 1960's, was the precursor of CBS's "60 Minutes."

"The MacNeil/Lehrer Report" demonstrated the appeal of insightful and in-depth examination of current issues and became the template for PBS's NewsHour as well as ABC's "Nightline."

"The Forsyte Saga" premiered the television mini-series format, which is now regular fare on commercial and noncommercial television.

"Wall Street Week With Louis Rukeyser" provided that the public has a strong interest in long-form economic and business reporting on television.

Even professional tennis was discovered first on public television.

Diversity of Editorial Perspectives

Public television programs reflect a broad range not only of subjects and formats but also of editorial perspectives. Public television has forstered this diversity by presenting:

Major series combining scholarship and a personal perspective: Carl Sagan's "COSMOS," Abba Eban's "Heritage: Civilization and the Jews," "The Story of English" with Robert MacNeil, "A Walk Through the 20th Century With Bill Moyers".

Handcrafted programs from America's independent producers, such as "Eyes on the Prize" and "The Ring of Truth."

Unique programming for special audiences, including productions directed at the nation's black, Hispanic, Asian, and Native American communities.

Regularly-scheduled public affairs documentaries: public television is home to "Frontline," television's only weekly prime-time documentary series, and to dozens of single-part and limited-episode documentaries.

Programs about global issues and cultures: in 1987, the list includes "The Human Face of the Pacific," "One Village In China," "South American Journey," "The First Eden," "Frontline: Apartheid Specials," "Oil, Only One Earth."

Government at work: the Watergate, Iran/Contra, Rehnquist, and Bork hearings.

Programs from a broad range of producers: in Fiscal Year 1986, 43 public television stations produced programs distributed nationally by PBS. There included stations in Boise, Idaho; Provo, Utah; Corpus Christi, Texas; Jacksonville, Florida; Huntington, West Virginia; and Rochester, New York. In that same year PBS also distributed the works of 159 independent American producers and foreigh producers.

Community Responsibility and Control

At a time when the locally-owned, locally-operated, locally-accountable, and locally-responsible medium of communications has become an endangered species, this country's 324 public television stations remain uniquely local institutions. In many communities public television stations are the only ones left that are owned by people living in those communities. For example, the only locally-owned television station in Indianapolis is public television station WFYI.

Absentee owners, obliged by the imperatives of the marketplace to pursue the maximum rate of return on their investment, cannot be expected to be as attuned to local needs, or as willing to tailor their services accordingly, as local public television stations can be. Public television stations are not passive local outlets for packaged satellite services and advertising messages originated hundreds or thousands of miles away; they are nonprofit, public service institutions with their roots in the community and dedicated to its service.

Twenty years ago, few public television stations had the professional and financial means to mount significant programs addressing community problems and interests,

except on an occasional basis. Today, creative and professional excellence is the rule rather than the exception, and public television stations serve important local needs with community outreach, community issue, and community service programs. One example is the Working Channel, a 24-hour-a-day job information service, developed by WTVS to serve the needs of the unemployed in the Detroit area.

Universal Access

Not all of public television's innovative work has come in front of the cameras. Behind the scenes, our engineers have been at the forefront of technological developments that have helped to make public television accessible to more Americans. In 1978, PBS began operating American television's first satellite program distribution system. Earlier in the decade, PBS spearheaded the development of closed captioning for the hearing impaired. The system is now the standard used by the television industry. Public television engineers have also made major strides in improving the efficiency of UHF transmitters.

Public television has pioneered enhanced uses of the broadcast spectrum. PBS created the first technology to distribute digital audio by satellite, and in 1984, public television station WTTW in Chicago became the first in the nation to offer direct stereo television broadcasts. PBS engineers have also created the technology for high-speed data transmission via satellite and local broadcast signals to personal and business computers and printers.

I think you will agree that this is an unparalleled record of commitment to quality, service and the American public. And apparently viewers from Bethel, Alaska to Boston, Massachusetts agree. Today, public television is viewed by more than 100 million Americans every week. In the course of a month, four out of five homes will watch public television. In 1966, by contrast, educational television was only reaching 14 million people each week and about 20 million each month.

In 1974, when PBS began tracking public donations to local stations, public television had one million members voluntarily contributing $22 million to their local stations. Last year, 4.7 million families and individuals gave more than $200 million.

This strong growth in viewer support has been mirrored over the years by increased support from federal and state governments and the business community. The Corporation for Public Broadcasting's first appropriation was $5 million; its most recent is $228 million. Support for public television from state governments has jumped from $57.9 million in 1973 to $195.8 million in 1986. Business support has mushroomed, growing from $9.3 million in 1973 to $138.9 million in 1986.

With this past as our prologue, what remains to be done to assure that public television continues not merely to deliver the quality of service it has already achieved but to fulfill the highest potential of the medium to educate, enlighten, enrich, and entertain?

THE DISTANCE LEFT TO TRAVEL—WHAT IS NEEDED FOR THE FUTURE

At the threshold of the 1990's, public television has demonstrated the ability and commitment to enhance the quality of life in the United States through the use of telecommunications for broad educational, informational, and cultural purposes. The potential is unique. Public broadcasting is the only nationwide medium of communications organized for public service rather than private interest. It is the only medium dedicated to education rather than entertainment. Alone among the mass media, its roots and its organizational base are in the educational community rather than in the profit sector. Alone among our educational institutions, it has the capacity to reach virtually every citizen at home, in the workplace, or at school at any hour of the day.

There are three principal issues that must be addressed if the American people are to receive the full benefits of public television's unique potential: (1) the lack of reliable and adequate source of long-term funding; (2) the changing communications environment and its implications for continued universal availability of public television service; and (3) the need to protect the diversity of editorial opinion on public television from the threat of improper political or other influences.

Assuring Reliable and Adequate Long-Term Funding

The single, most important need in public television today is a reliable and adequate source of long-term funding. This need is not new. In 1967, when the Carnegie Commission concluded its study and recommended federal support for public broadcasting, its report stressed the importance of adequate long-term funding if public broadcasting were ever to be equipped to fulfill its lofty mission. Yet in the twenty years that have passed since that report, this goal has still eluded us.

Without reliable and adequate long-term funding, public television will never be able to close the gap between its present achievements and its future potential. Adequate funding remains the key to producing quality programs. Without it, public television will continue to have shining moments, but it will be difficult to sustain its programming excellence, increase its editorial diversity, expand the audiences it serves, or remain responsive to unique local needs by providing custom-tailored local program services, as mandated by Congress.

Adequate funding is also the key to preserving public television's noncommercial character. The constant financial pressures and uncertainty about future funding have forced public television stations to seek new and creative ways of generating revenue, such as "enhanced underwriting." Only too often, those new solutions to the age-old problem are at best expedient solutions to the fundamental dilemma, leaving public television stations in the awkward position of being "a little bit commercial." For in the absence of adequate, stable funding, there is an inevitable pressure to resort to the mechanisms of the marketplace to secure the scarce funds so desperately needed for our programming. Yet, this is not a workable solution for an educational and cultural enterprise like public television, whose value to society is not measured in marketplace terms. Indeed, in the history of Western civilization, no such enterprise has evern flourished *without* state support.

A reliable source of long-term funding is also one of the most effective safeguards of editorial diversity on public television. Without it there is always the danger that public television stations and producers, desperate for funding, may be tempted to fashion their programs to appeal to the corporate or governmental entity that controls the purse-strings, especially when the only alternative is the certain death of a potentially momentous program. Greater financial stability would alleviate these pressures and eliminate the uncertainty of the annual appropriations process, which tends to foster editorial and operational instability.

As new communications technologies emerge, adequate funding will be critical if public television is to take advantage of those technologies to better serve the American people. The quality of its programs will count for very little if public television is unable to provide the universal service that Congress envisions. Financial resources will play an important role in public television's continued ability to provide cost-effective, nationwide service. Indeed, a major issue currently confronting public television is the replacement or refurbishment of its existing satellite interconnection system.

Beyond the question of technical distribution capacity, however, is the question of resources to acquire the audio-visual, home video, Instructional Television Fixed Service, and other rights required to extend the visibility and usefulness of public television programs to students at school, families at home, and adult learners at their places of work. As broadcast technology becomes only one of many ways to deliver programs, public television must have the resources to adapt to this changing environment and to serve its audiences through new media and new delivery technologies.

Finally, funding is the key to solving another impediment to universal public television service: the need to allocate scarce resources to other operational priorities has left little to spare for promotion and advertising of public television programs. Nationwide availability of public television service loses much of its potential public benefit if viewers lack the information needed to make them aware of programs they would like to watch. As the video marketplace expands, confronting viewers with a bewildering array of viewing options, program promotion becomes even more important.

In sum, public television cannot flourish if left to depend on charity and the vagaries of the appropriations process. Although public television would never wish to be wholly dependent on any single funding source, whether private or governmental, reliable long-term federal funding would go a long way towards freeing public television from the financial shackles that have hampered its ability to attain greater heights. The Public Broadcasting Financing Act of 1975 established the principle that federal support would be premised upon a demonstration of public and local support—by authorizing matching funds at the rate of $1.00 for every $2.50 raised by public television. The viewers, the states, and the localities have more than kept their part of the bargain: if that match were in effect today, the federal appropriation would be close to $400 million, which would have a dramatic effect on the extension and improvement of public television services. Such a mechanism would have provided the kind of stability desired, as well as direct incentives for increased public support.

Assuring Continued Universal Availability of Public Television Service

But for the wisdom of the communications policymakers who saw fit to reserve channels for noncommercial, educational broadcast use, public television would not exist. Experience has shown that, given a scarce resource such as the broadcast spectrum, the "marketplace" alone cannot be relied upon to make adequate provision for noncommercial, educational uses.

What this means for the future of public television is that, in a changing communications environment, public television will not be able to compete effectively with commercial entrepreneurs for access to the new distribution technologies. To the extent that those distribution technologies become critical to public television's ability to reach its audience, or to offer services of comparable technical quality to others available in the media marketplace, it is imperative that Congress and the Federal Communications Commission (FCC) take steps to assure public television's access to those technologies, whether cable, broadband home delivery by telephone companies or common carriers, direct broadcast satellites, or other as yet undiscovered technologies.

Absent appropriate federal action in the following areas, public television will continue to fall short of the Congressional goal of assuring nationwide availability of public television service to every American.

In the past, cable systems were required to carry all local broadcast stations, including public television stations. These "must-carry" rules assured that cable subscribers would continue to have access to public television service, even if they disconnected their antennas or failed to install and use an A/B switch. Since the old "must-carry" rules were held unconstitutional by the United States Court of Appeals for the District of Columbia Circuit, the FCC has adopted new rules that provide reduced protection for public television and that includes a "sunset" provision after 5 years. To further exacerbate the problem, cable systems have begun to reposition the channel assignments of local broadcast stations, moving them to less desirable locations on the dial and making it harder for viewers to find them.

Although progress has been made towards achieving UHF parity with VHF channels, a significant gap remains. Approximately two-thirds of the public television stations operate on UHF channels, and the lack of parity means that they operate under a substantial handicap: their viewers experience greater reception problems, and their transmission costs are higher.

The channels reserved for noncommercial, education television use must be protected against incursions from land-mobile and other uses.

High definition television (HDTV) is already gathering momentum not only because of the significant improvements in quality it offers the video medio, but also because of the commercial potential for new production equipment, transmission equipment, and television sets, as well as the incentive HDTV will provide for consumers to subscribe to cable and purchase videocassette players. In the rush to exploit HDTV for commercial purposes, we must not lose sight of the importance of developing a communications policy with respect to HDTV that also takes public television's needs into account.

Protecting Public Television's Editorial Integrity

In the twenty years since passage of the Public Broadcasting Act, there have been a number of improper attempts to influence public television programming. The framers of the Public Broadcasting Act intended that the Corporation for Public Broadcasting would be a bulwark against any effort to interfere with public television programming—that it would "assure the maximum freedom" of the public television stations "from the interference with or control of program content or other activities." But that admonition has not been sufficient to insulate public television. The Corporation itself has on occasion been the vehicle for those who have sought to challenge the independence of public television programming. And, as noted above, these pressures can also attend corporate funding.

Even though public television has successfully resisted threatened improper influence, it remains a constant concern. Numerous safeguards are already in place to prevent such influence, but public television must remain alert to attempts by any funded or government official to intrude upon the editorial process. Such threats strike at the core of public television's editorial integrity and independence, and undermine its efforts to provide the public with diverse editorial perspectives. The energy and attention expended in averting those efforts saps valuable and scarce resources from an already thinly-endowed enterprise. Public television must remain ever vigilant against such threats, and policymakers must take whatever steps are necessary to assure public television the greatest insulation possible from improper political or funder influences.

CONCLUSION

"The future of public television depends on what kind of society the United States aspires to be. One possibility—the logical outcome of pay-media predominance—will be a further balkanized culture, split principally along class and geographic lines. The other possibility, which public radio and television have tried to nurture, is a socity that not only respects differences of interest and culture, but communicates them so that virtually everyone, regardless of ability to pay or accident of locale can sample and share in the life of others." (Michael Rice, "Public Television: Issue of Purpose and Governance," Aspen Institute for Humanistic Studies, 1981.)

Rice's statement summarizes the dream of public broadcasting's founders. While our reach should always exceed our grasp as we strive to achieve the principles of quality programming, editorial diversity, universal access, and local community responsibility that have guided public television's development, these principles continue to be the measure by which to judge public broadcasting's success and its future value to the nation.

In 1976, Congress took an historic action and laid the foundation for what the second Carnegie Commission has called a national treasure. But the great unfinished business before you is to assure reliable and adequate long-term funding for that treasure. The proposed Public Broadcasting Trust Fund legislation adopted by the Senate Commerce Committee is the first serious effort that has been made to resolve the continuing funding crisis, and public television is extremely grateful.

The assurance that public television's programming remains accessible to all Americans and the preservation of its editorial integrity are also critical to public television's future vitality. Policymakers must be prepared to take the actions necessary to assure public television's access to new distribution technologies in a changing communications environment and to protect its programming processes from improper influence or political pressure.

Public broadcasting's achievements to date would not have been possible without the wise policy choices and vision of practical men and women of action. Whether its future will remain bright depends on the wisdom of Congress, the administration, the FCC, and the courts in guaranteeing for the American people the continued noncommercial, educational use of one of the nation's greatest resources—its airwaves.

Public television has the potential to make the riches of our heritage and our civilization available to all of our people. Our national policy on public broadcasting should be content with nothing less.

Senator INOUYE. Thank you very much.

Our next witness, Mr. Douglas J. Bennet, President of the National Public Radio.

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT, NATIONAL PUBLIC RADIO

Mr. BENNET. Mr. Chairman, thank you.

I will speak very briefly and ask that my full statement be submitted for the record.

Senator INOUYE. So ordered.

Mr. BENNET. First of all, let me repeat the thanks my colleagues have offered the committee for the very strong initiative you have taken to solve our deepest problem, which is the lack of a permanent funding mechanism. The trust fund would do that, and it will make a major difference to public broadcasting.

Second, let me just say, with respect to the last 20 years, that in public radio we think we have accomplished a lot that is important. We have a remarkable partnership now that did not 20 years ago then, with 299 CPB-qualified stations across the country.

We have a national program production entity at NPR and others growing elsewhere. We have increased production capacity at the local stations.

So what we are trying to build is really an amalgam of national programming and local programming. Because of an important change in radio technology that is discussed in my prepared statement, the advent of satellite broadcasting, preserving and enhancing that local capability is one of our most important objectives.

We are trying to do it at National Public Radio by making a lot of room in the services we supply for local content. And in my statement you will see reference to a new service called Performance Today, which is a two-hour daily service bringing together arts and performance material from all over the country. It is taking what America is doing in the arts today and putting it together into a national program. So that partnership in programming, is also expressed in a partnership in funding.

My statement mentions that the Federal contribution is now about 15 percent of a station's budget and outlines where the other sources come from.

But those two partnerships have given us something that really is quite strong. I think it is a foundation on which we can build for the future.

We in radio believe there are three things that need doing: first, that capacity of the existing local stations needs to be enhanced so that they can produce more programming; Secondly, we see an important opportunity to expand our service by expanding the number of stations. Don Ledwig has mentioned the unserved portion of the population, that is to say people who do not receive a public radio signal. In addition to that, there are very large populations in many places that are not being served by public radio just because of not having enough stations. There are stations that could become CPB-qualified, and we believe that that is the second leg of our effort over the next several years.

Finally, we will probably talk today about the importance of replacing the interconnection system. Senator Inouye mentioned this farsighted contribution that Congress made to the initial development of public broadcasting. Believe it or not, that equipment is now at the end of its useful life cycle and we have to replace the system in 1991. So that is the third big item on our agenda.

Thank you very much for the opportunity to be here, and I look forward to try to answer any questions that you have.

[The statement follows:]

STATEMENT OF DOUGLAS J. BENNET, PRESIDENT NATIONAL PUBLIC RADIO

Mr. Chairman it is a pleasure to be here today. On behalf of National Public Radio and its over 300 member stations, I would like to begin by thanking you and members of the Subcommittee for your vote of confidence demonstrated by the Commerce Committee proposal to create a Public Broadcasting Trust Fund to guarantee a stable and permanent funding mechanism for public broadcasting. When the bill is enacted into law, the fund will enable us to fulfill our mission of expanding service to all

Americans; and it ensures that public broadcasters can continue to build an informational and cultural service for our country.

PUBLIC RADIO TODAY

The public radio system has met the challenge presented by Congress 20 years ago in the Public Broadcasting Act to bring quality, alternative programming to the American people. There are now 295 CPB-qualified public radio stations in 49 states. Those stations, all connected by satellite, serve 11.2 million listeners a week. Over and over, listeners I meet around the country say the same thing: "Your programs are my lifeline."

Public radio is a remarkable partnership of federal, state and local governments, universities, foundations, corporations and individual listeners, all acting together to support quality programming which would not otherwise be available in our country. Public radio's support is now about half private and half public. In FY 1986, close to one million individual listeners voluntarily contributed $46 million, 20 percent of public radio's revenue, to their local stations. The CPB contribution is now about 15 percent of station income. The Federal participation is the bedrock contribution which enables stations to multiply support from other sources and support the quality national programming which has become our hallmark.

Every afternoon one million Americans now listen to ALL THINGS CONSIDERED. Overall, the audience for NPR news programs is 5,840,000 and growing—more people than visit the Smithsonian Museum of American History in a year. More and more Americans are turning to public radio for in-depth and international news coverage, interviews with newsmakers, and features and commentaries on political, economic, and social trends. NPR's live coverage of the Iran Contra hearings during the summer and the Bork confirmation hearings this fall attracted wide carriage by member stations, and broad support from listeners.

Federal support has made possible new programming initiatives as well. American Public Radio is distributing the interactive children's program KIDS AMERICA; NPR brought seven-day-a-week news and information programming to its members with the addition of Saturday and Sunday morning WEEKEND EDITION, and has also begun the innovative classical music and arts features program PERFORMANCE TODAY.

Over the last three years public radio has reasserted its leadership role in creating a national awareness of American cultural treasures in music and drama, and has stimulated interest in and greater appreciation for American performers, conductors, directors, producers and organizations. NPR's PERFORMANCE TODAY is a perfect example of the national/local partnership that characterizes the public radio system. PEFORMANCE TODAY is a public service beyond the means of all but a few stations. It is the collective product of many contributing stations and independent producers working through a national production team. PERFORMANCE TODAY brings to local communities around the country performances from summer music festivals in Cabrillo, California; Rockport Maine; Chamber Music West of San Francisco and the OK Mozart Festival of Bartlesville, Oklahoma. This fall, PERFORMANCE TODAY is presenting coverage of the LA Festival, a major international gathering of artists in all disciplines. It will profile the Big Five Orchestras—Cleveland, New York, Philadelphia, Boston and Chicago—in interviews with their conductors, and begin a series on legendary teachers: those to whom the famous musicians of our day go to for their coaching.

One of the goals of PERFORMANCE TODAY is to help stations serve both the local and national arts communities. A manager of one of NPR's member stations describes it this way: "Performance Today can become the 'tie that binds' us all together in a unified effort to support and develop the performing arts throughout the United States."

NPR's Department of Specialized Audience Programs (DSAP) was created in 1976 to augment production and acquisition of programming by, for and about ethnic and social minorities. This includes Black Americans, Native Americans, Pacific and Asian Americans, women, elderly persons, and disabled persons.

DSAP provides programming not only of interest to these particular audiences, but programming which increases a general audience's awareness and understanding of the problems faced by members of traditionally under-represented segments of American

society. DSAP encourages women and members of minority groups to participate more fully in program production. Over three quarters of the programs distributed by the Department come from producers outside of NPR, either independents or station based producers. Approximately ninety percent of these producers are minorities and/or women.

Programs offered by DSAP have received many of radio's most prestigious awards. Some of DSAP's more notable series are the thirteen part series "Faces, Mirrors, Masks: 20th Century Latin American Writers"; "Children at Risk," a seven part series on child abuse and neglect; "In Celebration of Jazz," a four part Black History Month HORIZONS special with jazz lyricist John Hendricks; and the development and premier of CONNECTION, a weekly half-hour magazine on disability issues.

FUTURE DEVELOPMENT

How can Congress build on today's public radio network of excellence to meet the information and cultural needs of Americans to the end of the century and beyond? ... By strengthening and expanding the diverse pattern of local stations and national programming which is at the heart of our success to date.

When Congress adopted the Public Broadcasting Act twenty years ago, radio was essentially a local medium. Network material was distributed over telephone wires or through the mail. For the first 8 years of the NPR network, that is precisely how we served the public stations.

Satellite technology has now stood traditional radio economics on its head. Network programming can be distributed instantaneously, at extremely low cost, with no loss of sound quality. Now, national programming is efficient because of economies of scale; and local programming is costly and often not as polished. Where economics is king, as it must be in commercial broadcasting, we can expect to see more and more centrally programmed material on the local airwaves, delivered uniformly across the country, interrupted locally only for weather, traffic and advertisements.

As for public radio, Congress assured that it had one of the first satellite interconnection systems in the world. That system made it possible for us to supply quality national programming to all our stations which they could not possibly produce separately. Because of our public mission, we do not want national programming to crowd out local programming in public radio. Rather we look upon national programming as a tool to strengthen the capacity of our member stations to serve their audiences with a vibrant mix of national and local coverage. The naticnal programming itself includes material from the stations so that it carries with it the accents and diversity of America.

This nation's public radio stations, with their local staffs, strong relationship with listeners, and links with local education, civic and arts institutions, represent an important bastion of pluralism. The national-local partnership, which Congressional support has done so much to foster, is an asset today in ways that may not even have been anticipated twenty years ago. In a high-tech tide of homogeneity, it can help keep track of ourselves as a people. And it is for that reason that I make my first recommendation for your consideration:

Congress should increase the CPB share to station's revenues from the present level of 15 percent to about 25 percent to reenforce the stations' ability to produce locally.

Stronger local production will mean better material for inclusion in our national program vehicles. It will mean larger local audiences through the day, more support from listeners and underwriters, and a stronger base of financial support for national programming.

Beyond strengthening existing local stations, public radio has an opportunity to serve more and different groups of Americans. Today about 15 percent of Americans are out of range of any CPB qualified station. In most markets, there is only one CPB qualified station. In some markets there may be two or even more CPB qualified stations, and perhaps 30-40 commercial stations. Yet even that number of commercial stations does not meet the needs of a diverse audience—particularly those of the elderly, ethnic minorities and children. Neither can just one or two public radio stations.

It is a fact of life that any single radio station can put out just one stream of programming at a time, and broadcasters try to make these streams relatively consistent to serve their audience. Many more Americans, including the elderly, ethnic minorities

and children, can be served by public radio if we can substantially increase the number of CPB qualified stations. The same kind of partnership, and the same combination of national and local programming that has made a success of round one, can work again in the years ahead.

Thirteen hundred stations hold non-commercial radio licenses from the FCC, of which only 295 are CPB-qualified. The remaining one thousand stations are an eclectic mix of university and college stations, community licensees, and religious broadcasters. Most of these stations operate with limited staff and budgets, and have only minimal audience. But collectively they control an enormous quantity of non-commercial spectrum space, and represent a multi-million dollar investment in facilities and programming.

In addition to extending service by existing CPB-qualified stations through the use of translators and other technologies, we believe many of these stations outside the CPB system would welcome the opportunity to offer the effective, high quality program service offered by the public radio system. Recently, NPR has reduced membership dues and interconnection fees to encourage increased participation in the system by minority and low income stations. Such stations are opportunities for some form of incorporation into the public radio system. Expansion of the system would require:

Upgrading existing stations to CPB's full service, CSG qualification standards;

Extension of interconnection services to enable these stations to draw from public radio's extensive and growing repertory of national programming; and Production and distribution of one or more major programming blocks targeted for particular audience segments (e.g., Latino service; programming for the elderly) for use by such stations.

Expansion of the outlets for public radio's national programming will be a boon to the system's producers, including the growing number of independents and stations that produce for national distribution. Additional outlets will expand the market for program producers, providing both the prospect of additional revenue from acquisition fees and a more attractive carriage report to take to underwriters and foundations.

NPR PROGRAMMING

NPR programming, in the past funded primarily by CPB, has been critically important in drawing the public radio network together and providing a unique and otherwise unavailable service to more Americans. We have just completed the first year under a new funding structure in which the stations have assumed responsibility for funding NPR programminq directly. They did so last year at a level higher than at any time since the CPB funding cut in FY 1983. We are convinced that this new funding structure will continue to meet the national programming goals which have been central to the Public Broadcasting Act, and indeed produce an even broader menu of national service in the future.

NPR will continue to produce its in-depth news and public affairs magazines seven days a week. We are now developing plans for newscasts through the day and a midday service for stations wanting more news and information programming. In the cultural area, we are restructuring our traditional offering of concert series into a daily programming stream which will be more serviceable to the stations and which we believe can be a model for additional services—e.g. Jazz, drama—in the future. PERFORMANCE TODAY I have mentioned—another new national service designed to maximize the national-local potential of public radio today.

We are in the process of revamping our specialized audience programming. NPR will introduce the concept of Special Projects Programming, or "format breakers", as an effective programmatic approach to the presentation of issues of particular concern to minorities, and to the general public radio audience as well. Four times a year, NPR plans to produce and distribute special programming on a selected issue of broad public interest and major social impact.

The format breakers will be live and interactive, hosted by a host from one of NPR's award winning news magazines and a well-known national figure, chosen for his/her interest in the subject. The additional programming elements will provide stations with a variety of broadcast options. As a companion piece to the interactive program, NPR will provide a highly produced, one-hour documentary that either introduces or concludes the program. Separate feeds of related feature modules for use in

local news and public affairs programs will also be provided. Additional documentaries will also be provided to allow stations to continue single-topic focus over an entire day, week or month of programming.

TRAINING

The national/local partnership that provides public radio service requires a well trained and ever expanding pool of talent. Training has been an important part of NPR's activities for many years. Through its system training programs NPR identifies talent throughout the system including individuals not involved in public radio, diversifies its program offerings to better meet its public mission and develops the skills of public radio personnel. In addition to its various training opportunities, NPR's training office has completed an extensive research project to assess the training needs of station personnel and independent producers. Funded in part with a grant from the Corporation for Public Broadcasting, the research information will be used to develop and implement a five-year comprehensive training program for the public radio system beginning in 1988.

Based on NPR's success with its News Residency project last year, NPR is continuing the residency project for six minority public radio journalists. The program's goal is to broaden the scope of the participant's experience by familiarizing him or her with the reporting, editing and production process at NPR. This training program also helps increase the number of submissions to NPR's news magazines from public radio journalists throughout the system and improves the quality of local news at stations. In addition to the news residency, NPR also offers Music Recordin? and Engineering and Long Range Planning Workshops.

REPLACEMENT OF THE SATELLITE INTERCONNECTION SYSTEM

One final word about system expansion and diversification: the satellite interconnection system will be pivotal in the future as its has been in the past. The public radio system as we know it today could not exist without the satellite. Radio's unique amalgam of national and local programming would not exist without the satellite. The satellite system is the pipeline connecting major national producing and distributing organizations and hundreds of independent producers with public radio stations and audiences throughout the country. The interconnection system permits public radio to transmit individual streams of programming to a greatly expanded system and provide both programming of mass appeal as well as programming targeted to individual communities of interest.

The satellite system is open to all public telecommunications entities, including independent producers, program syndicators and distributors, national, state and local organizations, and stations.

The public radio system has undertaken planning for replacing its satellite capacity and updating related interconnection facilities by 1991—the end of the useful life of the existing system. A project office has been established at NPR to coordinate the effort to assess the need for changes in the system, secure commitments from satellite and equipment vendors, identify funding sources, and oversee implementation of the new system. Public radio stations which participate in the satellite system have already begun setting aside funds for the next generation system. The system expects to have accumulated $2-2.5 million to be used as a down payment for its future satellite capacity by mid-FY 1989. Capital cost estimates for the future system currently range from $30 million for replacement of the basic C-band transmission technology to $66.5 million for a Ku-band system. As in the purchase of the original satellite interconnection system, Congress' assistance will be crucial again.

Mr. Chairman, we have discussed public radio's past service to the American people and we have also discussed our goals for the future. All of this was done with the help and support of the Congress and the American people. We believe that the public radio system, with its unique combination of distinguished national programming and local involvement, coupled with its vision for the future, merits continued support. We will strive in the next twenty years to bring the quality programming for which we are known to unserved and underserved audiences while at the same time increase the number of people listening to our mainstream programming.

Senator INOUYE. Thank you very much, Mr. Bennett.

Our next witness is the President and General Manager of the South Carolina ETV Commission, Mr. Henry Cauthen.

STATEMENT OF HENRY CAUTHEN, PRESIDENT AND GENERAL MANAGER, SOUTH CAROLINA EDUCATIONAL TELEVISION NETWORK

Mr. CAUTHEN. Thank you, Senators. Mr. Chairman, we very much appreciate the opportunity to be with you today and talk about where we have been and perhaps where we are going. And I can say we have come a long way, but I think we have got a lot further that we can go and a lot of exciting things we can do.

We are tremendously excited, however, about the new initiative that this committee has undertaken to find a stable source of funding for public broadcasting, which has been one of the major problems we have faced throughout the existence of public television and public radio in this country.

Public television and public radio I think are the only source of the kinds of programming that this country really desperately needs for the population. The best in our arts, the best in our science, public affairs programming—it is really perhaps the electronic conscience of our country, that tells us what we can be at our best, what we should be, not perhaps what we always end up being.

But it keeps reminding us of what we can be at our best. It is the only place, public television is the only place, that you are going to find this programming and have it accessible to the entire country. There are other sources, certainly, of good programming, but they are not going to be available to our urban poor and our remote rural populations.

If we are going to have the best of our arts, the best of our literature available to the entire country, there is only one way you can do it, and that is through public broadcasting.

That, however, is only a part of the element I am interested in and a large part of public broadcasting is interested in, and that is our school population and what can electronic technology do for education.

There is an awful lot it can do. If you just wanted to wave your hand and say, I would like to put the best of teachers in every school, the best educational opportunity for every child, no matter where they are located, no matter how disadvantaged the school might be, I think everybody would say this would be wonderful.

Well, the fact is it is within our reach. And not only is it within our reach, it is easily within our reach. For one to two percent of what we are now spending on education in this country, we can make the best of teachers available in every school in this country, the best educational resources available, the best of production available, for about one or two percent of what we are paying in education today.

That is not just the producing of it. That is the delivery of it. That is putting television sets in every classroom. That is putting a satellite dish in every school. That is putting video recorders in every classroom.

We can literally have the finest education system of any place in the world for that infinitesimal amount of expenditure compared to the importance of this to the country.

You know very well the problems that we are facing in education today, how our country is falling behind many other countries in the world, how our children are not going to be able to be competitive in the world economy that we must compete in.

We can do something about it. We can use public broadcasting as the keystone from which we operate. It is the basis. It forms the infrastructure upon which all of this can be built, and it is within the financial means of this country.

Not only is it within the means; it is, I think, the obligation of this country to provide every child an educational opportunity equal to any available in the world. We can do it through technology that is available today, and I urge this committee to look forward to that day as well.

Thank you very much.

[The statement follows:]

TESTIMONY OF HENRY J. CAUTHEN, PRESIDENT,
SOUTH CAROLINA EDUCATIONAL TELEVISION NETWORK
FOR THE SENATE COMMUNICATIONS SUBCOMMITTEE
NOVEMBER 12, 1987

Thank you, Mr. Chairman. In discussing where we should go, it may be useful to trace where we've been. We have in a sense come full cycle.

When the concept of creating "educational television" was put forward in Congress and the first station went on the air in the early 50s, the intention was to provide instructional programs for schools and general educational programming to the people of the country. Many stations were licensed under that premise. Over the years, however, a transition occurred. The emphasis has moved away from education, particularly formal instruction.

This transition was given a big boost by the first Carnegie Commission, which coined the name "public broadcasting" and proposed the creation of the Corporation for Public Broadcasting. With the creation of CPB came the beginning of a vital flow of federally-generated funding.

This federal funding has proven to be a tremendous catalyst to the creation of quality "public television" programming for the general public. This programming has greatly enriched our culture and strengthened the foundations of our democratic processes, a tremendously important achievement. Public television brings to the American people the best our society has to offer in literature and the performing arts, in science, and in public affairs programming. Public television is the only way to share the best of our culture with all the people of our country, and not just with those who have access to performances in our cultural centers, or who can afford increasingly expensive cable service.

With television, we have the most powerful device ever created to elevate a population into full literacy, in national affairs and all forms of the arts. To do anything less than fully utilize the opportunity that available technology offers us would be an immense tragedy. Our national heritage is literally at stake.

As important as public television is however, its development saw the original intention of public support for the medium, school programming, get less and less attention and funding. Public television was getting all of the national attention and all of the national money. The stations had discovered, as one of our colleagues described it, "real television."

But what was happening to educational television? The answer is far too little. The state networks and many stations still kept some level of school service. Little money, however, was available for innovation or expansion of services. Most stations had begun to realize their ability to provide a comprehensive instructional service for schools was greatly limited by single-channel broadcast television, and with few exceptions other distribution technologies were not being seriously explored. School services were, in most cases, in a holding pattern and in some cases running out of fuel. State funds were in short supply, and federal funds were almost non-existent.

In speaking of our country's use of television, Edward R. Murrow said, "It is like a sword rusting in its scabbard during a battle for survival." Murrow's words were never more true than they are today. Fortunately, we may be, in my opinion, finally about to tap television's vast potential as an educational tool.

We are now seeing at the federal level, and in the educational community across the country, a reawakening to the whole idea of instructional television. It is coming under such headings as instructional technology, distant learning, interactive video, "Star Schools," and on and on. But it is definitely coming.

There are several factors behind this renewed interest. Education reform has become a top priority in most states. There is a growing realization in all sectors that we must regain our competitiveness in the international marketplace. At the same time as we are struggling to overcome the shortage of qualified teachers, particularly in math, science, and foreign languages, technological changes have greatly expanded the methods of delivering instructional programming.

What all this adds up to is that instructional television is the most cost-effective way in existence to put the best teachers and the best instructional resources into every classroom in America.

In South Carolina, we have built a statewide educational television system that, in addition to providing a full schedule of "public broadcasting," also delivers 86 hours of instruction each day to schools, colleges, hospitals, state agencies, industries and other locations. Through a combination of open and closed circuit broadcasting, every level of education is covered. The University of South Carolina awards more MBA degrees through television than it does on campus. And the same pattern is developing with its graduate engineering degrees.

What is the cost of all this? It's less than 1% of our state's education budget. This system could be replicated throughout the country for less than our state alone gets in federal aid to education.

A few figures may be helpful. The current national average expenditure for each of our 44 million public school students is $4,000/student. In a short period of time, maybe five years with a well-planned and committed effort, public television could produce and distribute the best in math, science, and foreign language courses to those 44 million students for a total cost of about $6.18 per student. We would have similar economies with nationwide efforts in such crucial areas as worker training and retraining and adult literacy.

In other words, we have the technology within our reach to provide the finest in education to every child for costs that are infinitesimal compared to current methods. For these reasons, I see instructional television in the educational mainstream nationwide in the next 5-10 years. The question is, who will deliver it?

It is my firm belief that the existing public broadcasting stations and state networks, along with our regional and national organizations, provide the most logical and economical foundation from which to build.

The public broadcasting system means a great deal to our country, and with the expansion of it into comprehensive instructional programming, it is about to mean a great deal more. It makes a lot of sense to continue funding the existing system so the instructional component can be built from there.

I also believe that it is very important that we begin now to integrate funding mechanisms for aid to education with those for public broadcasting. Eventually, the dichotomy will be meaningless.

In concluding my remarks today, I am reminded of how Eric Sevareid described television's place in our society. Television, he said, "has become our national parlor, our flickering hearth, where all may sit to share the best or the worst our society has to offer." Then he continued, "Will we choose the best or will we choose the worst? There is cause for optimism. It may be that we are now beginning to master this great force. Perhaps we are learning what fuel to use on this flickering hearth we call television."

I hope Sevareid was right. The Congress and the people of this country have made a commitment to public broadcasting because it is the only place that all Americans can have access to the best in arts and culture, in history, and in public affairs.

I urge you to maintain that commitment and to actively pursue ways to further tap the medium's vast potential for enlightenment and formal education.

Senator INOUYE. Thank you very much, Mr. Cauthen.

Our next witness is the President and Producer of Vox Productions of San Francisco, Ms. Loni Ding. Ms. Ding.

STATEMENT OF LONI DING, PRESIDENT AND PRODUCER, VOX PRODUCTIONS, INC.

Ms. DING. Thank you very much, Mr. Chairman and the committee, for this opportunity to participate in this panel.

I am giving this statement on behalf of the National Coalition of Independent Public Broadcasting Producers. I am myself an independent producer and have been producing for public broadcasting for 17 years. But I am here really speaking today on behalf of approximately 10,000 such producers throughout this country.

We are a microcosm of this country. I believe we are diverse, not only geographically in the sense that we are spread from Maine to New York to California to Hawaii to Alaska and Minnesota, to Texas and Florida. We are in our constituencies part of 96 different media arts organizations in this country.

What we really have in common, despite all of that diversity, is a passionate interest in producing programs and producing film and video for the American public.

What we are very concerned about is to produce programs which truly reflect the realities that we are seeing out there. We believe we are not seeing that diversity and that reality in public broadcasting right now nor in the last 20 years.

Even though one hates to rain on someone else's picnic, or rain on our picnic, because we are all involved in public broadcasting, we cannot say, looking at public broadcasting, that we have very good news, to our view.

In the last 20 years we have seen some changes that are very dire. The worst change is to see the steady march of public broadcasting away from its original mandate of public service, innovation, diversity, and toward proven formulas and market-driven programming that tends to safe uniformity.

This complaint, which we think is well documented if you look at the recent November issue of Harper's or if you look at the Current publication itself—I was coming down and I saw this last November issue of Current, which is the newsletter of the public broadcasting. with a full page ad in here for the Lawrence Welk Show.

This Laurance Welk show is an example of the kinds of programs carried by public broadcasting that are not innovative and are really borrowed from the past and are part of what the Harper's magazine in its analysis of a typical public broadcasting week has called "a tranquilizing kind of fare."

It is not all that public broadcasting does, but there is too much of this sort of thing. And we believe that that direction has to be reversed. But it would take real intervention to do so, because the reason why public braodcasting has drifted more and more towards commercialization is due to some very strong forces which are all too familiar. We would like to talk about what some of those forces are.

But first before doing that, may we look at ourselves—at this panel gathered here. We are eight people who are involved in public broadcasting, but 20 years ago and 10 years ago the true public would have been here, in the sense that consumers, minorities, labor, church organizations, commercial broadcasters, business, women's organization, the hearing impaired, local citizens groups, media reform activists, the press—all would have been here.

They all came and they expected to be heard, because they thought of public broadcasting and of these hearings as part of their concern—it was theirs, it was something they had a stake in. But the public is not excited today, not enthusiastic, not really interested at all.

So we have to ask, where is the public in today's public broadcasting hearing, and where is the public in today's public broadcasting? The lack of excitement about public broadcasting is one of our major concerns.

This oversight hearing has posed the question: where should public broadcasting be going? Speaking very broadly, we surely should be looking at something more than the technology or the delivery system or the financial problems—and admittedly, financial limitations have been serious and along with other public broadcasters all independent producers as well are very glad for the initiative of this subcommittee's chair to greatly increase public broadcasting's funding that will start to solve some of those problems having to do with money.

Nevertheless it is crucial to look at the bottom line, which is programming: what will that money be spent to deliver. As far as the general public is concerned, of course, programming is the bottom line. The 1967 Carnagie Commission recognized that; they called programs the test of the system.

And so when we look at what has happened in the commercialization of public broadcasting, and by that I mean its concentration on programming that brings in money, we are really looking at what corporate underwriting and subscriber-driven programming have done. The corporate underwriting is to our mind really a form of subsidized advertising, because of course public funds pay for most of the costs, and it unduly biases programming decisions which favor comfortable fare that can attract the largest and most homogenized audiences.

This is nothing really new that we are seeing. It has been frequently commented upon in the national press and elsewhere, and we are simply saying that this is the direction that has to be reversed.

In 1967 the Carnegie Commission already was talking about independent production as a means of obtaining really diverse and innovative work. In 1978, independents were first recognized in law ehen the Congress stated that a substantial amount of the program funds for production should go to independent productions.

And we call them independent productions rather than independent producers because we are not talking about people. We are really talking about the way in which a production is done which assures its freedom from certain kinds of controls.

Specifically, these controls chiefly reside in the questions the stations implicitly ask themselves, such as: "Can this modification bring in money for" or "Will this production offend a potential underwriter." Independent productions truly reflect a given subject and to reflect the full diversity from which the subject springs. Contract productions are often done by persons who simply happen to be freelancers, which are often labeled as "independent producers" by CPB—thereby cooking the statistics about independent productions, as happened for instance in Front Line. And we have argued about that.

Basically with independent productions we are talking about programs that in their content and in their shaping and in their final impact are affected by the fact that they are coherent visions that are not compromised by considerations other than faithfulness to the subject, a striving for imaginative portrayal, and effective communications to viewers treated not mereluy as consumers, but persons the producer takes seriously and seeks to challenge.

We have developed a pie chart in which we try to understand how commercialization in public broadcasting has come about, and it is something that probably is best understood by looking at it rather than speaking about it.

However, I would just refer to the fact that the pie chart shows that 56 percent of the public broadcasting revenue is what you would call CPB, government- appropriated, and other government, college and foundation sources. These are all sources of funding which are more or less fixed and are not directly increased or decreased by the type of programming that is actually commissioned.

On the other hand, we have subscriber and auction and business underwriting as the other sources of 37 percent. And we believe that the reason why so much of the programming has gone in a commercial direction is because the stations quite naturally try to increase these growth areas. These are the only directly content-sensitive fund-generating areas.

We have seen this happen and we think that there has to be a reversal on this. We do not argue that the stations should not be adopting such a position. We are really saying that they could hardly not do it.

We simply are arguing against giving market forces complete free rein. Public broadcasting's problem is not just a matter of money; it is not to be solved by simply increasing the amount of money.

We have to, I think, take seriously these articles that have appeared in Harpers and TV Guide and other places, and our own analysis, which really point to problems in how programs are selected, and how they are funded, and how they ultimately find their way onto the air, and what time slots they find when they finally do get there—if they get there.

We have proposed a National Independent Program Service, and that is described in details submitted to you. Basically the concept is simply that there has to be a mandated set-aside specifically intended to assure the innovative, diverse programming that we are not seeing now. That's the role of government funding. That's the justification for

federal financing today just as it was the justification for federal financing at the birth of public broadcasting 20 years ago.

We see that it is time to bring into being what in 1967 was already recognized as an important resource and was intended as a partnership in 1978. It's time to bring independent producers truly into the system. After ten years of struggling with vague and inadequate language, it is time to use specific numerical set asides.

It is time to set aside a defined place and defined funding for independent productions. And this mandate would support and make full use of the commitment of independent producers to excellence and diversity, the kind of excellence and diversity that shows up in award-winning, independently produced programs like Harlin County USA, Unfinished Business, In Our Water, El Norte, The Ballad of Gregorio Cortez, Mother Teresa, Day After Trinity, Eyes on the Prize, and Say Amen Somebody.

It is also time to bring in regularized funding for minority-targeted programming. We are calling for the creation of a set of minority program services based on the existing black, Hispanic, Asian, Pacific Islanders, and Native American consortia.

The consortia up until now have been woefully underfunded and lead a precarious existence, subject to the changing policies and priorities of the CPB Board. And the National Coalition proposals for this NIPS and for regularization and funding of minority consortia are steps to giving independent production this full partnership that we talk about.

Our proposal would establish a clear competing force within the system to serve and protect the fundamental public interest goals of programming diversity. This proposal would also specifically allow these minority program services to provide both minority audiences and the public at large with programming which reflects the roles of minorities in American life.

And minority production would also flow through the NIPS. Our proposals would provide a mechanism for production of programs reflective of the whole cross-section of ideas, opinions, art, humor, and fabric of American life.

We really are saying that we think it is time to make public broadcasting much more public.

[The statement follows:]

STATEMENT OF LONI DING, PRESIDENT, VOX PRODUCTIONS ON BEHALF OF THE NATIONAL COALITION OF INDEPENDENT PUBLIC BROADCASTING PRODUCERS

Mr. Chairman, my name is Loni Ding and am giving this statement on behalf of the National Coalition of Independent Public Broadcasting Producers.[1] The NCIPBP is an affiliation of media arts centers, professional service organizations, distributors, and independent producer groups that represents through its constituent organizations virtually all of the more than 10,000 professional independent television producers in the United States. These independent producers are a microcosm of this country and its territories, diverse geographically and in every other way. From Maine and New York to California and Hawaii, from Alaska and Minnesota to Texas and Florida, they include every ethnicity and point of view. Organizationally, their only overall commonalities rest in their technical expertise, artistic talent, dedication and professional abilities for the production of films and video.

I'm very pleased to be a participant in this panel as part of oversight hearings marking the twentieth anniversary of public broadcasting. As institutions go, 20 years is not an especially long time. On the other hand, as the business of telecommuncations goes, 20 years is a very, very long time. There have been a lot of changes since the beginning. Some have been marvelous, some dire indeed.

The worst change by far has been the steady march of public broadcasting away from its original ideas of public service, innovation, and diversity and toward proven formulas and market-driven programming that tends to uniformity. This complaint—its existence, how it came about, and how it can be reversed—is our theme today.

The transition of public broadcasting from diversity to uniformity can even be seen in the composition of this panel. How different it would have been ten or twenty years ago. Oversight of public broadcasting then meant many days of hearings peppered with all sorts of system outsiders who nevertheless recognized that they had a vital interest in public broadcasting and hearings of this sort. Consumers, minorities, labor, church organizations, commercial broadcasting, business, women's organizations, the hearing impaired, local citizens groups, media reform activists, and the press all came and expected to be heard. Today, we're a panel of eight public broadcasting experts talking about "our" system—talking about its relevance to American society but with darned little demonstration that anyone out there really believes it to be relevant. Where is the public, in today's public broadcasting hearing? Where is the public in today's public broadcasting?

Those of us who have been here for many years can remember a time when public television was seen precisely as a vehicle to record and mirror the full diversity of American life, deepening democratic discourse and thus providing the basis for mutual tolerance, problem solving and respect. I have, for example, been a television producer for seventeen years, the last ten as an independent producer. Some dozen of my programs have been telecast nationally on public broadcasting. But before I became an independent producer I worked inside a station and from 1970 to 1977 I produced television programming for KQED, San Francisco.

Those of us who were producers in the early days remember the vision of what public broadcasting could be, as formulated in the original Carnegie Commission report in 1967. We knew that public broadcasting should be an alternative to commercial broadcasting. We saw, with the Killian Commission, that public broadcasting should be free from the market constraints which, however unavoidable, dominate commercial broadcasting. Public broadcasting had the opportunity to design its programming for public interest goals. We were convinced that diversity was necessary and possible.

Not long after its beginning, however, marketing forces gradually pulled public broadcasting toward commercial objectives: corporate underwriting and subscriber-driven programming.

Corporate underwriting really ought to be called what it is, subsidized advertising, because public funds pay most of the cost. It unduly biases programming decisions, favoring comfortable faire that can attract the largest and most homogenized audiences.

Subscriber-driven programming is designed specifically to appeal to the 10 percent of upscale public television viewers who send their contributions. Any predominance

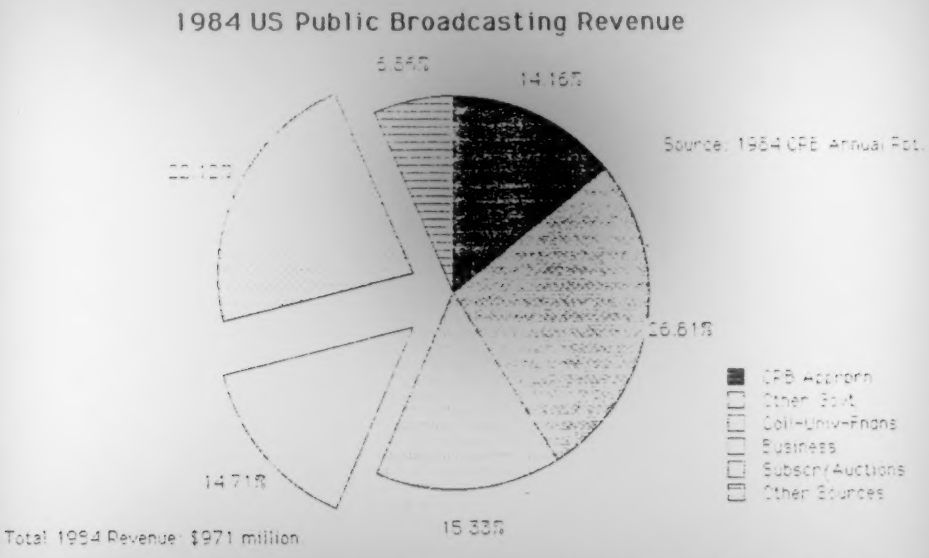
[1] A file of published and statistical material is appended for the record. It is primarily background to NCIPBP's proposals for new public broadcasting legislation. For additional information contact NCIPBP Legislative Affairs, attn. L. Hall, 7695 Crest Avenue, Oakland, CA 94605, tel. (415) 635-6398. The above material referred to was not reproducible.

of such programs necessarily compromises the diversity of program offerings. Need we remind this Subcommittee that the stations are mandated to serve all the population in their signal areas, not subscribers only? This is a difference between public broadcasting and Pay-TV.

Public broadcasting must be judged by its ability to permit the flow of programming of all the breadth and diversity and substance required by our democratic processes. Public broadcasting must not be judged primarily by the technology which delivers programming nor by the system which is its delivery path. It is the character and quality of the programming itself which counts. Our public policy toward public broadcasting must be a policy of programming, a philosopy whose goal is diversity, innovation, the expansion of debate, the deliberate complementation or mainstream of commercial media, matching the fullness of other literature.

Why has the promise of diversity not been realized? A look at the source of public broadcasting revenues provides a clear answer.

CPB's 1984 Annual Report lists the sources of public broadcasting's $1 billion annual income, from which I've constructed a little pie diagram. The federal CPB appropriation is about 14.2 percent of the pie, while all other federal funds plus state and local government contributions amount to about 26.8 percent. Colleges, universities and foundations together give 15.3 percent, and 14.7 percent comes from business. Subscriber contributions and auctions give 22.1 percent. There is a remainder of about 6.9 percent from other sources.



The point is, the total governmental contributions (41 percent) and the college and foundation money (which brings the total to 56.3 percent) are not directly affected by audience share. However underwriting (a portion of business income) and the subscribed contributions are extremely sensitive to the size and demographics of the audience; these sections are exploded out in the diagram. But in fact, it really doesn't matter how big (or how small) the exploded portions of the pie diagram are. Left to itself, the system will naturally opt for programs that will increase the contributions from these two sources.

The clear lesson of course is that those funds which are contributed to promote program diversity ought not be in the control of the stations. Funds for the entire public television schedule, and particularly federal support, should not be available simply to get the phones ringing during pledge breaks or to enhance the image of America's most wealthy corporations.

Ideally, perhaps, one might have thought that the Corporation for Public Broadcasting could have provided checks and balances to insure against the cooption of federal funds for market-driven programming. But CPB is an unusual bureaucracy in that (between oversight hearings) it has only one major organized constituency—the stations. Absent a strong competing advocate for diversity, there is nothing in the structure that permits CPB to resist market-driven-programming forces. So the Corporation, bowing to station influence, in FY 1987 turned 87 percent of its national program funds over as a direct flowthru to the station or station entities such as "Frontline," or as outright grants to station productions. Every year CPB naturally

abdicates its charge as grantor of these funds. Equally naturally, CPB as well allows the stations to exercise a heavy influence upon the remaining 13 percent of national program funds.

Respecting those program funds for which CPB retains discretion, the Corporation is always pushed to fund prime-time programming that plays well at pledge time, or to fund other prime-time programs that can bring in underwriting support. CPB complies; the Corporation makes prime-time suitability part of the instructions given those panels who make selections from the Open Solicitation portion of its Program Fund. Independent producers, incensed at this, have tried to revive earlier criteria of innovation and diversity that no longer form part of CPB's instructions, but this has failed. Independent producers and minorities, poor relatives within public broadcasting, have no real place from which to maneuver at CPB. Every three years they can return to Congress at reauthorization time, when interest revives, and perhaps they can get a concession or two. Other than that, there are few checks and balances.

Even the powerful get pushed around according to the market-driven scenario! Thus "The MacNeil/Lehrer NewsHour," very popular with Congress and clearly something that CPB will continue to support, has to shape up. As reported in last year's (FY 1986) Program Fund Year-End Report, the question of playing to big audiences arose. The Program Fund Director reported that the station representatives on its year-end review panel—

> "applauded the producers' responsiveness to system needs and urged them to continue to try to refine the series." They also reported increasing audiences in the various markets but felt that "it [the program] is not doing as well as it can."

Let's be clear, I don't argue that the stations should not take this point of view; how can they help it? But I do argue against giving market forces free rein. We need checks and balances and to those purposes we very much need, as a society, a designated place within public broadcasting where programming can be funded on the basis of public interest criteria: diversity, innovation, and the expansion of debate

Will such programming be shown by the system if it is available? If it's good, certainly it will be shown! One must clearly distinguish between what public broadcasters would pay to have produced when they are holding the purse strings, and what they will show if it is acquired for them.

One of the most important immediate steps which Congress should take to get public broadcasting back on the road to true diversity is to bring independent producers into the full partnership in public broadcasting that was the intention of the 1978 Public Telecommunications Financing Act. Unfortunately, the system has not responded in good faith to those provisions, but that is not surprising.

We can recall a similar earlier problem, now solved. Public radio, in the first 10 years of public broadcasting, was a weaker force that continually lost the battles when legislative wording was vague. But 10 years ago, with clear set-asides and with a Partnership Agreement (a product of strong Congressional encouragement) signed with public television, radio finally got inside.

Independent producers, recognized by the first Carnegie Commission as an important resource but never brought in until 1978, now have 10 years of their own struggling with vague or inadequate language. It's time to recognize Independent Producers as full partners in public broadcasting. It's time to set aside a defined place and defined funding for independent productions. It's time to create the National Independent Program Service, as it has been proposed by the National Coalition of Independent Public Broadcasting Producers. This mandate would support and make full use of the commitment of independent producers to excellence and diversity—the kind of excellence and diversity that shows up in award-winning independently-produced like "Harlan County, USA," "Unfinished Business," "In Our Water," "El Norte" or "The Ballad of Gregorio Cortez," "Mother Theresa," "Day After Trinity," "Eyes on the Prize," and "Say Amen, Somebody."

It's also time to bring in and regularize funding for minority-targeted programming. We are calling for the creation of a set of minority program services based on the existing Black, Hispanic, Asian, Pacific Islander, and Native American consortia. The minority consortia have up to now been woefully underfunded and lead a precarious existence subject to the changing policies and priorities of the CPB Board.

The NCIPBP proposals for a National Independent Program Service and for regularization and funding of minority consortia are steps to giving independent production a full partnership role in the mission of public broadcasting. The NCIPBP proposals would establish a clear competing force within the system to serve and help protect the fundamental public interest goal of programming diversity. The NCIPBP proposals will specifically allow the minority program services to provide both mi-

nority audiences and the public at large with programming which reflects the roles of minorities in American life, and minority production would also flow through the National Independent Program Service. The NCIPBP proposals would provide the mechanism for the production of programs reflective of the whole cross section of ideas, opinions, art, humor and fabric of American life.

It's time to make Public Broadcasting truly Public Broadcasting.

MINORITY CONSORTIA

CPB has been funding the Minority Consortia for at least 6 years and in one case, the Latino Consortium has been supported for almost 11 years. The purpose behind the funding of these five national minority based organizations was to provide a source of programming by, and about the American minority/ethinc experience.

CPB's report "Formula for Change" which was completed in the late 1970's clearly recognized that America's minority groups were not represented or involved in programming about their communities or about their people. The report also contributed to the pervading criticism that the programs on public broadcasting tended to be narrow in focus and it excluded much of what is to be construed as the American experience—of its peoples, its histories, its contributions, its complex issues, its relationships within the general, dominant society.

The Minority Consortia at their present level are funded at about $800,000 per year, shared among the five major ethnic and racial minority groups. The funding is minimal and it in turn, demanded the creative energy and drive of the Consortia to find other funding; established close working relationship with stations and other production groups to bring in donated services; and at the same time, developing their presence, their markets and audiences.

Per consortium allocation (rough estimate): (Annual)

1. Native American	$127,000
2. NAATA (Asian American)	136,500
3. Latino Consortium	200,000
4. Communications Bridge (Black) (estimated)	210,000
5. Pacific Islanders (estimated)	126,500
Total	800,000

The five consortia have provided over 300 works (for television/film) to public broadcasting, educational institutions and libraries in the past six years. If you are to give a dollar amount on the program value for the works acquired and distributed by the consortiums, we are easily talking about a million dollars of productions.

Television Programming by the Consortiums

"Mandela" by the National Black Programming Consortium (Ohio).

"Fannie Lou Hamer Story" by the National Black Consortium (Ohio).

"Silk Screen" by the National Asian American Telecomm. Association.

"Four series of which three were PBS series; examples: "Sewing Woman", "Jazz Is My Native Language", "Freckled Rice."

"Unfinished Business," sponsored by NAATA.

"Presente" series by the Latino Consortium.

"Vistas" series by the Latino Consortium.

Radio Programming by the Consortiums

"Bamboo Radio" by NAATA. Received a national CPB award for best local/public affairs at the NPR conference.

"Pacific newsbriefs" by the Pacific Education Network.

"The Last Game Show", a co-production between the Asian American and Latino Consortium which is presently in production.

Cornerstone of the success and necessity of the Minority Consortia:

We are a rich, diverse source of programming that would not normally be seen by public tv audiences if not for our combined acquisition and packaging efforts.

We serve to the 'system', a source of programming that would otherwise be costly and unavailable to local stations and regional networks.

We address the CPB mandate 'to provide diversity of views" in public broadcasting.

We work with our talented and richly diverse producing communities.

We provide an opportunity, a forum where stations and producers can work together in bringing quality, relevant and stimulating programming to audiences.

We are astonishly cost-efficient and creative, working with total dedication and commentment to ensure minority participation, representation and recognition as part of the public media mainstream.

We are bringing in other dollars and donated services that brings in at least a dollar for each dollar match to CPB funding.

We are an alternative point of view, of programming that public broadcasting needs to provide when it cannot do it on its own.

Senator INOUYE. Thank you very much.

So that the impression that this is a stacked deck will not be part of the record, I would like the record to show that about a month ago this committee advised the public of the oversight hearings to be held at this time. None of the consumer groups indicated an interest.

In fact, we had to go out to make certain that opposing views were expressed. Unfortunately, Mr. John Wicklein of the School of Journalism, who was supposed to come in to express his concerns on the other end of the spectrum, will not be here with us. However, his statement will be made part of the record.

Our next witness is the President of WNET of New York, Mr. William Baker.

STATEMENT OF WILLIAM F. BAKER, PRESIDENT, WNET

Mr. BAKER. Thank you very much. Thank you, Mr. Chairman and members of the Communications Subcommittee. I am honored to be here. I am honored to have been selected by your committee to be one of the people making the presentation before you today.

I am the President and CEO of WNET in New York and New Jersey. We are the nation's largest public television station. Our local constituency is over 14 million people in New Jersey, New York, and Connecticut. We are also the nation's major producer of public television programming. Among our programs are Great Performances, the MacNeil/Lehrer NewsHour, American Masters, Nature, Adam Smith's Money World, et cetera.

I joined WNET in May of this year. I have only been here for a very short time. Before that I spent 30 years in commercial broadcasting, most recently as President of Group W Television, Westinghouse Broadcasting Company, a major broadcaster in America.

I enjoyed and was very proud of the years I spent as a commercial broadcaster. As a system, I think commercial broadcasting has served this country well. And I was particularly proud of having come from a company that I believe had an outstanding record of public service.

Nevertheless, after 30 years I decided to go public, to move to the only true alternative to commercial television, what cable, despite all its advantages, is not close to being, and that is free universal broadcast, providing the highest quality of non-commercial programming to America's most loving audiences.

I can comment on some of the things that Ms. Ding said. I do think that a principal problem is money, and I will get into that in just a second.

We offer all of the citizens in public television, rich and poor, from New York to Hawaii, Nebraska to South Carolina, programs of public affairs—of education, cultural and scientific interest programs that are simply not available elsewhere.

Yet, if you should ask me are we reaching our full potential, are we truly fulfilling the mission, my answer would have to be no. And the explanation is quite simple: We continue to suffer because of a dire lack of permanent, predictable funding.

One example is a recent one that just happened. ABC News recently cancelled a program called Our World, a program making analytical use of newsreels to bring to light twentieth century politics and cultural trends. After the cancellation, the host of the program, news person Linda Ellerbee, came to me saying she wanted to go and bring that show to public television.

Viewers for Quality Television supported that idea with 20,000 letters, and believe me, I was very excited about the project. And this was exactly the type of program that public television needs to bring to its viewers.

Yet, all I could do was to tell Ms. Ellerbee to go out and try to raise the $5 million to make the 13 programs that she wanted to make. In today's economy that will be a very difficult job.

We have had marvelous support from progressive companies like AT&T, Martin Marietta, Met Life, MCI, and others. But today most companies are reluctant to invest in any projects not absolutely necessary to their own survival.

Many private foundations have been seriously hurt by the recent stock market problem. Individuals will almost certainly become increasingly cautious about participating with their hard-earned dollars.

Nor can we turn for instant relief to the Congress that is gallantly committed to cutting the nation's massive budget deficits. New appropriations at levels sufficient to build a minimally acceptable schedule just aren't in the cards.

And that is why your recent proposal in the Reconciliation Act creating a public television trust fund was in my view nothing short of a stroke of genius. You may have found one of the keys to our survival.

Although such a trust fund really will never be sufficient alone to enable us to carry out our full mission, it will serve to provide the critical discretionary revenue that will permit us to take advantage of timely opportunities in programming, the kind of things that Ms. Ding was talking about.

One final question remains, though, and that is is this too great of a sacrifice for commercial broadcasters? Indeed, is it asking them to support their competitors? And my answer as a former commercial broadcaster is a resounding no.

Two months ago I spoke before the National Academy of Television Arts and Sciences and urged my commercial colleagues in New York, if they would not contribute dollars to public television, at least contribute some air time, which we could then use to promote our programs. So far I have not heard a positive response from anyone.

Yet I based my request to them on the simple overwhelming fact that in our metropolitan area alone, WNET saves commercial broadcasters over $80 million a year. We do so by airing those programs which have unique, diverse constituencies, for example, programs aimed at children, at black and Hispanic communities, but which do not attract large enough audiences for advertisers to be interested in them.

We serve key parts of the public that the commercial broadcasters are virtually forced by economics to ignore. We are not competitors of commercial broadcasters. We are their necessary and valuable counterparts.

If we were transformed into becoming a commercial station, two things would inevitably occur. First, we would siphon away advertising revenues from the commercial stations; and two, the Federal government would be forced to re-enact legislation requiring commercial stations to provide low-profit programming in the public interest.

Someone must do it. If not us, who else is there to do this kind of programming? In short, based on simple logic of dollars, it pays commercial broadcasters to support public television.

Certainly, there is not any doubt in my own mind that the action of the Commerce Committee last month is fully consistent with the economic realities of today. I believe it will further the ability of public television to provide the American public with programming of the highest quality, the kind of programming our citizens want, deserve, and need.

Thank you very much.

Senator INOUYE. Thank you, sir.

Our final witness is the President of the Southern Educational Communications Association, Ms. Virginia Fox.

STATEMENT OF VIRGINIA G. FOX, PRESIDENT, SOUTHERN EDUCATIONAL COMMUNICATIONS ASSOCIATION

Ms. Fox. Thank you, Mr. Chairman. I would ask that my full statement be submitted for the record, it and the accompanying documents. I will be brief.

I want to thank the committee and echo the thanks for your proposal for stable funding for public broadcasting, and to echo the challenges, problems, and opportunities facing us as cited by my esteemed colleagues in public broadcasting.

I was pleased and honored to have been invited here to address the topic of editorial independence with this distinguished committee. I have been President of SECA since 1980, and it is the largest regional public broadcasting organization and the only one which serves education, radio, and television.

SECA also manages a number of national projects serving all stations, and one of those is the Editorial Integrity Project. The principles of editorial integrity, which are included in the packet given to the committee, are standards generated by the public broadcasting licensees to assure the American public the balance, diversity, objectivity, fairness, and excellence spoken to in the Public Broadcasting Act of 1967.

The principles and accompanying governance handbook and workshop created by that project are mechanisms for self-regulation and self-renewal. But the final custodians of public broadcasting's editorial integrity and reputation are the local board licensee trustees.

At the heart of these principles is the responsible application by professionals of a free and independent decisionmaking process, accountable to the needs and interests of their citizens.

The same trustees and practitioners who have responsibility for that last mile in public broadcasting also serve as members of the boards for our national programming and representational organizations, PBS, NPR, and NAPTS. But NPR and PBS have programming principles and practices which emphasize quality, diversity, editorial standards, freedom from improper influences, and local station control.

As with any freedom essential to a democracy, there have been challenges. There will be challenges in the future. When a challenge is external, we are strengthened by the precedent and the body of opinion which has resulted from public debate and/or litigation.

When the challenge is internal, particularly if it comes from a board member of the organization charged by the Congress with assuring the system's editorial independence, it diverts scarce time, attention, and resources from our public mission and erodes public confidence. But the system works.

We have an exemplary record. In the internal challenge to which I alluded, the right thing was done, and current members of that board were instrumental in ensuring that the right thing was done.

Our system has more direct points of public accountability than any other broadcasting system: local structure and autonomy in which the board members are the public; public support evidenced with the Congress and state funding; and individual citizen memberships in our stations.

The public's trust and respect depend on the honesty and accuracy of our programs and processes at the national and local level, which are both in fact and in public perception free from improper influence and political pressure.

We simply ask two things of this committee as you review our current legislation and any proposals for change: Apply as the basic criterion whether it strengthens and supports our standards of editorial integrity; and as you consider nominees for the CPB Board, confirm only those who are committed to the editorial integrity standards embraced by the local licensees and national programming organizations.

Thank you so much for the opportunity to participate in a discussion of a service so vital to the mind and spirit of the American public.

[The statement follows:]

STATEMENT OF VIRGINIA G. FOX, PRESIDENT, SOUTHERN EDUCATUIONAL COMMUNICATIONS ASSOCIATION

My name is Virginia Fox. Since 1980, I have been president of the Southern Educational Communications Association, the largest regional public broadcasting organization in the nation, serving education, public radio and television in 38 states, Puerto Rico, and the U.S. Virgin Islands.

In addition to serving its members, SECA also manages several projects which are national in scope. One of the these is the Editorial Integrity in Public Broadcasting Project. I am pleased and honored to have been invited to address the topic of editorial independence with this distinguished committee and my esteemed colleagues in public broadcasting.

OUR LICENSEES ARE COMMITTED TO FULFILLING THE MISSION OF THE PUBLIC BROADCASTING ACT OF 1967

Public broadcasting trustees and executives are vitally interested in assuring the American public the diversity, balance, objectivity, fairness and excellence spoken to in the Public Broadcasting Act of 1967. The continuing ability of our licensees to fulfill these commitments is dependent upon the editorial integrity of the system at every level.

In November 1984, station managers, network managers and representatives of state licensee boards and commissions convened the Wingspread Conference on Editorial Integrity in Public Broadcasting.

They explored various issues of editorial integrity in light of past legal decisions and legislative actions. The conference record is found in Editorial Integrity in Public Broadcasting: Proceedings of the Wingspread Conference (enclosed).

Before the group left Wingspread, they charged a committee with developing "a brief and effective statement of general principles, which could be understood by anyone and applicable, if possible, industry-wide..."

This committee became the Steering Committee for the Project and is composed of both professional public broadcasters and representatives of licensee boards.

The result of their labor is the Statement of Principles of Editorial Integrity in Public Broadcasting (enclosed).*

Editorial integrity in public broadcasting programming means the responsible application by professional practitioners of a free and independent decision-making process which is ultimately accountable to the needs and interests of all citizens. Programming based on the Principles of Editorial Integrity will ensure journalistic objectivity, as well as a fair and balanced presentation of the issues.

THE EDITORIAL PROCESS BEGINS AND ENDS WITH THE PUBLIC

In public broadcasting, editorial decisions lie on a continuum which begins with licensee ascertainment of the community's needs and interests, a producer who decides what program(s) to produce to meet those needs, and interests, the funder (the funder may be any one or a combination of licensee, governmental or private groups) who decides what programs to fund, the distributor (the distributor may be NPR, PBS or one of the regional organizations) who decides what programs to distribute, the local station who decides what programs to air, and ultimately the public who decides what programs to watch.

The power of the public cannot be underestimated. Our local stations have programming autonomy. They are governed by trustees who not only represent the public but are the public in the community of license. So long as public broadcasting programming is valued and trusted by the public, the political support will exist to convince Congress to continue federal funding. If the programming fails the public, political support will vanish. Additionally, if public broadcasting fails its viewers, individual and corporate funding -- immensely important to public broadcasting -- will dry up. This, then, is the mechanism for public broadcasting's accountability for programming.

THE PRINCIPLES AT WORK ON THE LOCAL LEVEL

To assure that this mechanism continues to work, public broadcasting has established policies and procedures on the national and local levels.

On the local level, the Editorial Integrity Project's Principles of Editorial Integrity have been adopted as a standard of governance by licensee boards and commissions which represent 31.1 percent of the nation's public television stations. The Editorial Integrity Project has as its goal universal adoption of the Principles.

Under these Principles trustees are recognized as the final custodians of public broadcasting's editorial integrity and reputation in the marketplace of ideas where reputation is legal tender. In order to assure that programs meet the standards of editorial integrity the public has a right to expect, five principles and guidelines establish a foundation for trustee action.

These principles are:

I. We Are Trustees of a Public Service. Public broadcasting provides a wide range of programming services of the highest professionalism and quality which can educate, enlighten and entertain the American public, its audience and source of support. It is a noncommercial enterprise, reflecting the purpose of the federal and state governments to provide education and cultural enrichment to their citizens.

As trustees of this public service, part of our job is to educate all citizens and public policymakers to our function, and to assure that we can certify to all citizens that station management responsibly exercises the editorial freedom necessary to achieve public broadcasting's mission effectively.

II. Our Service Is Programming. The purpose of public broadcasting is to offer its audiences public and educational programming which provides alternatives in quality, type and scheduling. All activities of a public broadcasting licensee exist solely to enhance and support excellent programs. No matter how well other activities are performed, public broadcasting will be judged by its programming service and the value of that service to its audiences.

As trustees we must create the climate, the policies and the sense of direction which assure that the mission of providing high quality programming remains paramount.

III. Credibility Is the Currency of our Programming. As surely as programming is our purpose, and the product by which our audiences judge our value, that judgement will depend upon their confidence that our programming is free from undue or improper influence. Our role as trustees includes educating both citizens and public policymakers to the importance of this fact and to assuring that our stations meet this challenge in a responsible and efficient way.

As trustees we must adopt policies and procedures which enable professional management to operate in a way which will give the public full confidence in the editorial integrity of our programming.

IV. Many of Our Responsibilities Are Grounded in Constitutional or Statutory Law. Public broadcasting stations are subject to a variety of statutory and regulatory requirements and restrictions. These include the federal statute under which licensees must operate, as well as other applicable federal and state laws. Public broadcasting is also cloaked with the mantle of the First Amendment protection of a free press and freedom of speech.

As trustees we must be sure that these responsibilities are met. To do so requires us to understand the legal and constitutional framework within which our stations operate, and to inform and educate those whose position or influence may affect the operation of our licensee.

V. We Have a Fiduciary Responsibility for Public Funds. Public broadcasting depends upon funds provided by individual and corporate contributions; and by local, state and federal taxes. Trustees must therefore develop and implement policies which can assure the public and their chosen public officials alike that this money is well spent.

As trustees we must assure conformance to sound fiscal and management practices. We must also assure that the legal requirements placed on us by funding sources are met. At the same time, we must resist the inappropriate use of otherwise legitimate oversight procedures to distort the programming process which such funding supports.

The Principles of Editorial Integrity have also been used as a basis for legislation. Legislation is pending in the New Jersey state senate to restructure the composition of the governing body of the New Jersey Public Broadcasting Network. The proposed law would require the new body to conduct itself in accordance with the Principles of Editorial Integrity.

The law which restructured Iowa Public Television also made use of the work of the Project. The law states that "the division shall be governed by the Principles of Editorial Integrity as set forth by the Editorial Integrity in Public Broadcasting Project."

The Editorial Integrity Project has also produced the Public Broadcasting Governance and Management Handbook which was distributed to all public broadcasting stations and boards. Over two thousand additional copies of the Principles and the Handbook have been ordered by cable programming services, libraries, legislative research groups and others.

The Handbook provides public broadcasting licensee trustees and CEOs with current, thorough information and guidance in performing their complex roles. The Handbook provides a practical perspective on implementing the Principles from the vantage point of sound, effective management practices (enclosed).

The Editorial Integrity Project is currently developing a workshop designed to enable the men and women of the boards of public broadcasting licensees to acquire the knowledge and training to fulfill their all important roles.

THE PRINCIPLES AT WORK ON THE NATIONAL LEVEL

The same trustees and practitioners who have responsibility for editorial integrity at the local level, also govern our national programming organizations, NPR and PBS, as members of those boards.

The Public Broadcasting Service has had in place since 1972, and reviewed in 1986, programming principles that shape the program service PBS provides to its members.

Those principles are:

The Editorial Integrity Principle reaffirms that the credibility of PBS programs rests on the public's confidence in their editorial integrity. To maintain the public's trust and respect, PBS must assure that its programming process remains free from improper influences or political pressures. The Editorial Integrity Principle also requires that PBS programs adhere to accepted editorial standards.

The Program Quality Principle makes clear that the goal of obtaining quality programs calls for professional programming judgements about a multitude of program attributes and that it is to this fundamental standard of quality that all PBS program decisions must ultimately hew.

The Diversity Principle recognizes the importance of diversity within public television, including audiences, programs, subjects, producers, funders, viewpoints, formats, production techniques and licensees.

The Local Station Autonomy Principle recognizes that a station has the right to decide which PBS programming it will carry and is ultimately accountable for those programs to the public.

National Public Radio operates under a Statement of Standards and Practices which states that editorial integrity is the heart of any credible news organization.

"The first ingredient of editorial integrity," the Statement by Douglas J. Bennet, NPR president, says, "is journalistic professionalism on the part of its news people. NPR hires professionals, and works constantly to reenforce their professional skills."

The Statement continues:

The second ingredient is sound guidelines for quality and objectivity. NPR operates under guidelines adopted in 1973 ... (Program Standards and Practices of National Public Radio, Feb. 13, 1973). Finally, there must be organization to assure editorial control. Each NPR news report goes through two separate editors before it reaches the air. Questions for live interviews by reporters or hosts are mapped out in advance with an editor. NPR's choice of commentators is reviewed regularly to ensure that a balanced range of viewpoints is presented.

NPR's "Program Standards and Practices" require: accuracy through thorough research and careful writing; neutrality by never expressing an editorial view, expecting its reporters and producers to be as objective as humanly possible and by not engaging in advocacy journalism; inteority by always identifying information sources,

being honest with those sources, resisting attempts by others to obtain the names of confidential sources, unbroadcast tape or notes, and making sure those involved are aware their remarks or information are being recorded and of how their remarks, etc. will be used.

THE SYSTEM WORKS

As with any freedom essential to a democracy, there have been challenges through the years and there will be challenges in the future. Each time there is an external challenge, we are strengthened by the precedent resulting from litigation and the bodies of opinion resulting from the public debate. The system has worked and we have an extraordinary record in this regard. Internal challenges, particularly those coming from a member of the board of the organization charged by the Public Broadcasting Act with assuring the system's editorial independence, are demoralizing and debilitating to the licensees who answer directly to and depend upon the respect and trust of the public. At worst, they erode the public's confidence in our system and at best divert time and attention from our programming mission.

The system worked in the most recent challenge to editorial independence. The Editorial Integrity Project presented to the CPB board at that time a paper (Statement by Public Broadcasting's Editorial Integrity Project Regarding CPB's Proposed Study of Programming Balance, enclosed) which sought abandonment by CPB of plans for a "content analysis study" on the grounds that such a study would threaten the independent editorial discretion of both the producers of public television's programming and the individual public television stations themselves. Current members of the CPB board who were serving on the board at that time were crucial in assuring that the system did work.

We know of no broadcasting system in the world which has more direct points of public accountability -- our local board structure, the public's support for funding by the Congress and state legislatures, the individual memberships in all our stations. The public's trust and respect is dependent upon the honesty and accuracy of our programs which result from a programming process at every level which is free from improper influences or political pressures.

A REQUEST

We simply ask that as the committee reviews our current legislation and proposals for change, a basic criterion be whether it strengthens and supports the standards of editorial integrity. And that you confirm for the CPB board only those nominees who are committed to the editorial integrity standards embraced by the local licensees and our national programming membership organizations.

Although adherence to our principles can be legislated, adhering to the spirit of a free and independent public broadcasting system depends on the courage, will and energy of those who guard it. To quote Alexander Hamilton on the free press in The Federalist:

"... its security, whatever fine declarations may be inserted in any constitution regarding it, must altogether depend upon public opinion, and on the general spirit of the people and of the government. And here, after all ... must we seek the only solid basis for all our rights."

Thank you for the opportunity to participate in a discussion of a service so vital to the minds and spirit of the American public.

Senator INOUYE. Thank you very much, Ms. Fox.

Before proceeding, I would like to advise the panel that Senator Rockefeller wanted to be here, but he was scheduled to chair another hearing at 9:30 and so he had to leave. But before leaving, he asked me to express his deep commitment to public broadcasting. I am certain you are all aware of that.

And he further expressed his commitment to a permanent source of funding for public broadcasting.

I would like to now recognize the distinguished Senator from South Carolina, who is known as Mister Communications in these parts, and also the author of the very innovative special funding trust program for public broadcasting, my colleague the Chairman of this Committee, Senator Hollings.

OPENING STATEMENT BY THE CHAIRMAN

The CHAIRMAN. Thank you, Mr. Chairman.

I commend Senator Inouye for this hearing. Invariably when I see him chairing a hearing it is a bunch of scoundrels sitting out there.

This is the first hearing I have watched Chairman Inouye preside over where we got respectable citizens.

It is a very interesting hearing and I do appreciate it.

Let me say this. We just last evening—Senator Inouye and I do not get much opportunity to watch public or commercial television. Senator Byrd usually has us working every evening and right on through the day. But on last evening, thanks to the veterans, I could see the worthiness once again of public broadcasting, and I was just watching MacNeil/Lehr, thinking to myself that—they had Arthur Schlesinger and Charles Krautheimer and David Broder, Richard Viguerie all in a panel with respect to the presidency and the authority of government at this particular hour.

You could not get that on any commercial program anywhere, at any time. Yet it was the most timely and the most interesting of programs. That was the best ad, Doug, I have ever seen for public broadcasting. Just run that particular program and people will begin to understand and appreciate the worthiness.

Specifically with National Public Radio, we understand the competitiveness really of public broadcast. It was a public broadcast that brought forth the original truth in the Challenger disaster.

We had to listen to the Rogers Commission for three to four months around here, and they came up with the idea that you could not find a fault. But National Public Radio was up there the next day and they found where, once it exploded, at the moment twelve engineers at Morton-Thiokol all said, we knew why.

Mr. Henry Cauthen here, Mr. Chairman, is the original director and leader of our public television, which, interestingly, now in this testimony brings out the fact that it was educational television which started in 1957-'58, where this particular measure at the Federal level started in 1967.

And we supported it at that time. But Mr. Cauthen has emphasized, we could not have put this through in a relatively poor state like South Carolina on the basis of public television. We did it on the basis of education.

And to emphasize that again at this hour, that with one percent that we could really put the best classroom teachers, is what we were trying to do there, on the little local level and all the classes of America, which would not only enlighten the students, but charge up the then classroom teachers to even do better, which is always necessary in education.

It is a magnificent observance. It brings into mind that somehow we have gotten not just a deficit of a budget, but a deficit of intellect in this land, a deficit of priorities in this Congress.

If we can find $410 million for an airplane, one plane, a B-1, that Cap Weinberger has attested to under oath before the Armed Services Committee will be obsolete by 1991, if we can find $410 million for one plane, but cannot find but $250 million for this program and this endeavor, there is something wrong with us here in the Congress, and of course there is something wrong with you folks out there.

Why have you all not charged up? Why just put on those programs begging? Why do you not put on a full-court press on the Congressmen and Senators? Yes, we have one idea. Maybe there are some better ideas, and that would be my question.

But my admonition at the moment is: Why do you not put on the pressure, like you see from the commercial broadcasters, Mr. Baker? They are all over up here now and they are ready to kill it. In fact, I understand they have got a commitment from the White House that it will be killed.

I am fighting it. I have sent a letter around yesterday. I worked in that snow in order to get a letter around to all of our colleagues once again clearing up the false or the disinformation spewed out by the broadcasters, that somehow the commercial stations own the spectrum.

Commercial broadcasting came to Secretary Herbert Hoover in 1926 and asked to be regulated. It is the one industry that I know of that asked for regulation because they had freedom of the spectrum before them and they jammed each other.

Otherwise, it is a tax, not a fee. They called it a fee in July in their paper, the commercial broadcasters. Now they want to call it a tax. If we are going to tax, Senator Inouye, he and I and this committee could not have handled it. We are not a taxing committee. That is Finance. We can put out user fees for the Coast Guard and broadcast and other endeavors.

But they are putting out all of this misinformation. They do, incidentally—and also spectrum fee by way of auction for everybody else but themselves, a very, very selfish crowd. Can you imagine the audacity of saying, we favor a spectrum fee for everybody else but us? They write that and insist on it.

We know these licenses are increasing in value about ten percent per year, and that is due to the scarcity of the spectrum. They said there is no scarcity. I have letters from South Carolina broadcasters, there is an abundance and everything else.

Eddie Fritts, the director of NAB, on last December stated that no one could doubt or question hereafter that there is a tremendous scarcity to the spectrum. But in any event, we have got to get you charged up somehow. Just looking out at this wonderful group in front of me—and I speak as a friend, obviously—I think if I could be king for a day, Mr. Chairman, I would appoint Jesse Jackson as head of public broadcasting, and then you would get some money. You would get some money.

I mean, you folks are too much in the stride of bureaucracy. You have got to get over and above this feeling that you have got to beg the corporations, that you have got to beg the Congressmen and everything else. We have got to get our priorities straightened out.

Like you say, Henry, you can get just for one percent of the budget or just for one airplane, I mean, the best classroom teacher in every classroom in America, and we do not do it. There has got to be a real wakening up here. And so my question, Mr. Chairman, is is there any other way that you can think of, other than the transfer fee that is what we came up with on the committee?

And we think it is manifestly fair. It has been endorsed by cellular radio, by the telephones, by GTE, all the other users of the spectrum. Interestingly, all the other users of the spectrum say that is pretty good; we do not like it, we are not endorsing it in that sense; but we will endorse it in light of the fiscal necessities of reconciliation at this moment.

Are there any other fees that any of you can think of that is fair or better or more productive? Doug, have you got any idea?

Mr. BENNET. I think this is the one, Mr. Chairman. I have looked at it a lot of different ways. We were delighted that the broadcasters said that they were for permanent funding for public broadcasting. I think you got their attention on that.

I think we are in a skirmish on it now, and I hope that we will be successful. We are doing everything we possibly can. You are going to find that every public broadcasting listener is aware of the leadership that you are showing here.

The CHAIRMAN. How about the tax on the sets? You know, the same Carnegie Commission—I guess they were harkening—the period of 15 years between 1950 and 1965, you know, we had a ten percent tax on every television receiver, an excise tax in America. Very few people remember during that 15 years. Those were in the days when we used to pay our bills up here in Washington.

We do not pay our bills now. We get elected on deficits and profligacy and waste and extravagance, and giving the bill to the kids. As long as we get re-elected, heck, that is for the next generation. We are thinking of the next election.

Mr. BENNET. Well, as an old budgeteer I have to say I am shocked by these triple digit deficits. When you and I used to direct the Budget Committee, it was only double digit. We remember when we thought $50 billion was bad.

The tax, which it would be, a tax on sets, is regressive. I am not a tax expert, but that has all the disadvantages of a national sales tax on video and audio equipment. The transfer fee is a fee on the use of something that is clearly in the public domain.

The CHAIRMAN. And if any station sold its physical facilities, building and equipment, they would pay the county in which they were located a transfer fee. I have searched enough titles as a lawyer to know that. And that increases in value.

But the greater increase in value are not the physical facilities. It is the spectrum, it is the spectrum itself becoming more and more acutely scarce each year.

Mr. CHRISTENSEN. That is exactly right, Mr. Chairman. I think as others have said, it is an ingenious and proper way to assess those who use the spectrum for that use to achieve a public purpose, to achieve that which is in the national interest, to fund once and for all an institution that does in fact do all of the things you have heard this morning.

Along with the tax on television sets originally was proposed some kind of revenue from the use of satellites. The Ford Foundation early on had a proposal that would have had the money that came from the use of satellites go into a fund that would have funded public broadcasting.

In the mid-1970's, there was a proposal where there would be some matching principle, and I addressed that in my testimony, where the public amount of money would then trigger an amount from the Federal government, which would then be a way of encouraging greater public participation, along with the participation of the tax dollars of the country.

But I think you really have in what you have done found the secret to getting this thing moving ahead, and it is something that we have struggled with for 20 years and have not come up with a solution, and I think you have.

Mr. CAUTHEN. Senator, I think it is clear that the spectrum is a national resource. It should not belong to any one group or any one interest group. And it seems eminently fair that for the use of that spectrum that some fee should accrue to the benefit of the general public, and this is simply allowing the transfer to benefit the general public, which seems to me to be an obviously clear and fair process.

You chided us a bit for not being aggressive enough, and rightly so. I do not think we have been nearly aggressive enough in making our case. We have stood back and rattled our cups, had our auctions, and done our various things. But public broadcasting is important to this country. It is important both in education and in public service.

We produce a series called Voices and Visions on American poets. It took ten years to put together. It has got 13 different underwriters on it. In order to make this available to the American people, we took five years in finding the funding for it.

And I just happen to have a quote out of it that I glanced down at here, that is pretty appropriate for this moment to your words to us: "How many times'—this is Robert Frost: "How many times it thundered before Franklin took the hint? How many apples fell on Newton's head before he took the hint?'

I think we get the hint, Senator.

The CHAIRMAN. Well, I know the effort you folks put in, all the solicitations and everything else like that, for all the programming and what have you. And I commend you for it.

But it is our fault. We should have long since done it. But you can see, it is like civil rights. You could not wait on the Congress to finally find its way politically positioned to have equal justice under law. They had to take to the streets.

I favored Roy Wilkins. He wanted to do it under law. We all believed in law and order. But King taught us a different lesson, that our society could not and should not wait for their constitutional rights, and you could not wait for an intransigent and a lack of understanding kind of Congress.

You have got to get above and beyond and around. This group is so bogged down, they cannot even pay a bill, for God's sakes.

At the state level, if you were sitting there, you would have your counsel in. You could not print dollars; you had already paid it. You would have done it in one afternoon. They palaver, they wail, we are just a billion apart, and the whole world economy is going down the tubes and they are going to labor, labor and come forth with a mouse. I can tell you that right now. It is not going to move the market.

Mr. Bennet knows it because he used to direct the budget for us. It is just sad to see the lack of discipline and awareness up here, and it is all politics.

Mr. BENNET. I think your proposal ought to be very attractive to the White House. I mean, you are talking about a revenue raiser for the next couple of years and beyond.

The CHAIRMAN. It is a fee that was recommended by the President himself. But they are already in over there. My colleague Senator Packwood will be back. We differ with respect to the fairness doctrine.

I could not get in over there to talk to the President on the fairness doctrine. But you can see Tisch, CBS and the crowd got in and got the President to veto what had been the law of the land for 40 years, and it worked extremely well.

So if you have got the money, if you have got the power, you can get in and see that crowd over there and influence them. And that is what they are doing right now. I mean, we watch it closely.

It is a struggle, but we need your help. We need you to fire up the Senators, because we did not do this casually. We were only following the directive, one frankly that I had voted against the budget. But having opposed it and they enforced it, we could not get a single vote on this committee for a spectrum auction.

But we could corral the votes for a spectrum fee, that transfer fee, because it fell equally on everyone. If we could get some support amongst the majority of spectrum users—it is very interesting and we still are having a difficulty. The White House is supposedly for it. You watch them, they will fix that reconciliation. See what that crowd agrees to.

You and I will watch it, Mr. Bennet. You will know what is going on.

Thank you, Mr. Chairman.

Senator INOUYE. Thank you very much.

It has been suggested that public broadcasting has become more commercial, and enhanced underwriting is in fact advertising. What do you have to say about this?

Mr. CHRISTENSEN. I guess that falls to me, Mr. Chairman.

Enhanced underwriting is the result of an experiment that was approved by this committee and written into the legislation in 1981, where there would be an experiment to see if there could be some increased commercialization and in fact an advertising experiment tried on public broadcasting, public television anyway, to see if revenues could be raised from that source of funding.

After a year's experiment overseen by a commission appointed by Congress and managed by the Federal Communications Commission, it was concluded that advertising per se was not an appropriate vehicle to raise money for public television or for public broadcasting.

The alternative was to do what the FCC finally did and loosen somewhat what had been heretofore simply been a notice of the funding sources for programs at the beginning and the end of those programs. That notice took us to what we now have as enhanced underwriting, where identification of a corporation and its product is permitted.

At the same time, the products are not allowed to be promoted or qualified in any way as being better than or more preferable or of greater value than any other product of the same kind.

I think it has moved us towards the appearance of commercialization. I think the distinction is one of semantics and certainly not of perception of those who watch public broadcasting and worry that it is becoming more commercial.

And as we heard this morning, that has consequences for the kinds of programs that we are able to pursue and the sort of fare that our stations must put on the air in order to raise the money and get that kind of underwriting.

Senator INOUYE. How much was raised under enhanced underwriting?

Mr. CHRISTENSEN. We raised about $120 million totally. Part of that nationally, a little better than half of it from national sources, and the rest of it locally, from banks and garages and drugstores and those kinds of folks who put their program—or put their identification on the programs.

I can provide for the committee the exact figures for 1986 and leading up to that period if you would like, so that you have got that for the record.

[The following information was subsequently received for the record:]

Local and National Underwriting of Public Television Programs, Fiscal Years 1981-87

Year	Local underwriting	National underwriting	Total
1981	$14.9	$31.1	$46.0
1982	20.7	35.6	56.3
1983	25.7	34.8	60.5
1984	28.6	53.6	82.2
1985	32.6	55.0	87.6
1986	36.6	57.4	94.0

Mr. BENNET. Let me give you, Mr. Chairman, a slightly different perspective from radio. Our number is $12 million a year from underwriting of all kinds, out of a total system budget for all NPR member stations of about $200 million. So it is two percent, as opposed to 20 percent or $40 million in listener contributions.

When we do research and poll our listeners, we know one of the things they say they like about public radio is no commercials. I think that from an ethical point of view, if you are thinking about the role of public broadcasting and thinking about what it takes to run a commercial broadcasting enterprise, that we cannot go and should not go toward anything that is advertising.

There is ambiguity in how you apply the present rules. At National Public Radio, we have been asked by our stations to try to work out with them some uniform national standards that stations can adhere to. We have guidelines at NPR that are very tight, even under the present FCC rule.

Because of the radio medium, we do not have the opportunity or the need to have pictures of products or anything like that or logos. I mean, you cannot hear a logo. And so our situation is slightly different.

But this is a serious problem. I do not believe the public wants a commercialization of public broadcasting. I do not think they will support it in public radio, and I do not think they should support it.

So what we really have to do is to become as clear as we can. This is a democracy of ours. All these stations are independent licensees. You have to respect their independence, and I assume it is the same with television.

But within that context, we have got to set up standards. And the listener says that they hear creeping commercialism on television or radio.

Mr. CHRISTENSEN. It is an extraordinarily difficult problem for us because we have, as Bill pointed out and as Loni said, you have got to go and raise the money to produce the programs. And in order for AT&T or any of the major corporations to be willing to put the size of money they are putting into some of the major television programs, they look for some kind of credit at the beginning and close of those programs, or we have to find the money someplace else.

And we find ourselves asking for and working for their contributions all the time. We do have underwriting guidelines and standards at PBS which are the same as or even more stringent than the FCC would permit. Some of our stations have more liberal guidelines than the ones at PBS and some have more restrictive guidelines.

I think Henry in his operation in South Carolina is more restrictive even than the PBS guidelines. So it does differ across the country, but it is a problem for all of us.

Mr. CAUTHEN. I do think we are coming uncomfortably close in some cases to looking very much like a commercial station on our station breaks, and I do think that is not to our advantage and it will not bode well for us in the future.

And I do not believe that what we called enhanced underwriting has significantly increased the amount of underwriting we have gotten from corporations. And so I think perhaps we need to look at that very carefully, certainly not go any further than we have, and perhaps withdraw a little bit and bring our guidelines in, as Bruce has said very clearly and as Doug has said very clearly, for the stations, what is allowable and what is not.

Senator INOUYE. In her testimony, Ms. Ding suggested that some of the programming was not keeping up with the spirit and intent of the law, and she cited as an example the full-page ad on Lawrence Welk as one of the tranquilizing shows.

Do you have any comment?

Mr. CHRISTENSEN. I guess, again, that is a question that I would respond to, Mr. Chairman. Stations around the country are governed by their local boards, and they are the ones who make the decisions about the programming policies of those stations.

While Lawrence Welk is a syndicated show, it is one that is syndicated by the state network in Oklahoma. Interestingly enough, that program is no longer available on commercial television.

There are communities where that particular program is seen as a public service to an audience that would not have programming specifically aimed or designed for that age group.

Would I prefer to have public broadcasting produce its own program for the elderly, one that would be as entertaining and useful and as exciting as some of them see Lawrence Welk? The answer to that is yes.

The sad fact is that they can buy Lawrence Welk for a fraction of the cost of producing something like Over Easy or acquiring or producing programs originally for that particular audience.

I think what you see in the Lawrence Welk phenomenon is a need to serve a particular audience and the lack of the funding or capacity to serve that audience in a way that is much different than the way they are reaching it right now.

Senator INOUYE. What do you think of Ms. Ding's proposal that we establish a separate fund for independent producers? I think most of you have indicated the difficulty producers have in raising funds.

Mr. LEDWIG. Well, Mr. Chairman, I think, with all due respect to Ms. Ding, we are carrying out, as a corporation, our mandate toward independent producers as written into the act. Some 40 percent of our production funds go to independent producers.

In addition to that, our major series such as Frontline and the others rely on independent producers to produce individual programs in that series.

Further, we are funding a new series called The American Experience about American history, which will put great reliance on independent producers.

Our stations throughout the system rely on independent producers. They are a vital and important part of what we do. I believe that we have lived up to our mandate, and I believe that we continue to provide, as I say, almost 40 percent of our basic production funds out of the program fund for independent productions.

Senator INOUYE. Some have suggested that you should reduce administrative costs and funds spent for training, research and other programs, thereby increasing the amount available for programming.

What comment would you have on that?

Mr. LEDWIG. Mr. Chairman, as I travel around the public broadcasting system in the country, I am invariably introduced to someone, often minorities and women, who now has a prominent position in public broadcasting because of training grants that came from the CPB. I find our support throughout the system.

Our efforts at increasing diversity in our programming began with our efforts to increase diversity in the staffs of public broadcasting nationwide, and we do that by training grants, by special funds for minority consortia to bring independent producers in from those groups, et cetera.

So we make the effort, and I believe it pays off for public broadcasting and for the system.

Ms. DING. Mr. Chairman, I would like to comment on the question or the statement that was just made that maybe 42 percent of program production funds go to independents.

We have a chart and an analysis that we have done. The essence of our analysis which has been submitted in our paper, is that between 1981 and 1987 the percentage of the number of direct program fund awards has dropped from 96 percent down to 43 percent.

These are direct awards to independent producers to produce programs that are directly controlled in which there is not a Judy Woodruff type person to introduce the show and make it part of a series in which the budget is not controlled by anyone other than the producer and in which a copyright is owned by the producer. It is a comprehensive single vision that is carried through.

I, myself, was for seven years at a public television station. I left after seven years. It was a very good experience in learning my craft and producing quite a lot of shows. I left it because I could not produce the shows that I needed to do given the overhead, for instance, that would have to be paid to the station on a grant that came in. Some things simply could not be done at all.

This is the common experience of many producers. They find that when it comes to doing a program that really requires in-depth work and a full commitment, it is not something that you can carry on in the station because the stations really have other kinds of priorities other than producing those kinds of shows.

So I think that the whole question that you have raised, Senator, essentially about overhead and administrative cost is a good one. It has to be asked. It should be explored.

When you look at the programming consortia, American Playhouse, Great Performances, Frontline, we need to ask the question, what percentage of their total budget goes to overhead.

Independent producers regard themselves as people who produce stuff about as cheaply as you possibly can mainly because we do not have an overhead or we keep our rent very low, among other things. Our priority is to produce the program.

As one film maker just said, when it comes to paying the rent or buying another print, I buy the print and go into debt on the rent. That is simply the kind of commitment they have to that programming being done and done well.

So there are some conflicts of interest here that cannot be completely reconciled. The stations have their work to do, and the independent producers have their work to do. But just as it was necessary to create programming consortia like Frontline, American Playhouse, and just as it became necessary to mandate public radio's equal partnership with public TV in order to meet certain telecommunications goals, it is now time to recognize that there is a necessity to mandate and assure innovation and diversity, thru a NIPS.

Senator INOUYE. Thank you.

Larry Grossman, the president of NBC News, recently asserted that television is not a local medium and that all federal funding to public television stations should be spent on national programming.

Do you have anything to say about Mr. Grossman's assertions?

Mr. CHRISTENSEN. I do, Mr. Chairman. Larry and I have disagreed on a number of things, and I think that we disagree again on this particular proposition.

Public television in its design and its control is a local medium, and the activities and the decisions made about what programs are appropriate to a given community rest with that community. Unless it has the discretion and the ability to decide how it will use its funds in purchasing programs for those communities, we lose the essential ingredient that makes public television different than commercial television.

I think that if the committee is interested in seeing that national production and national programming is encouraged, there are ways to do that given the mechanisms we now have in place and without doing what Larry has suggested; that is, passing all of the programming or earmarking all of the money from the Federal Government for national programming.

I think there are ways that can be done in a much more effective useful and productive way so that the local communities are served.

We see increasingly on the commercial side the kind of absentee landlord ownership of stations in various communities. For example, in Indianapolis, the only locally-owned and operated station there is the public television station, WFYI.

If we are to serve the local communities, if we are to be able to provide through them the kinds of programs that are necessary, needed and wanted by their communities, then the way we have established the community service grants and other funding in the law are appropriate and I think meets that need in a very reasonable way.

I guess I would add maybe one other thing to that, and it is a sense that every broadcast from a local station is a local program, whether it originates from PBS or whether it comes from one of our other program services.

I learned a long time ago that those are programs locally designed for that particular audience, and that is the essence of what public television is and has been through the years. I think we would lose that in a way that would be a tragic mistake for us were we to earmark all the Federal money going through the stations for programming.

Ms. FOX. Mr. Chairman, I would like to respond to that, too. I simply cannot resist noting that Mr. Grossman, when he was president of PBS, was one of the chief proponents of an hour-long news program, the MacNeil/Lehrer Hour, which was referred to earlier.

Shortly after his arrival at NBC, he announced his dismay that commercial television was not ready for a news hour; yet, our system, which is "bogged down in locality', (which I don't believe is bogged down in locality) pulled together to accomplish what the national commercial networks have yet to accomplish—a daily hour-long news program. CPB, the local TV stations, and a major private corporation created and to this day, collectively fund this exemplary program.

Senator INOUYE. Any further statements?

Mr. BAKER. Yes. As an operator of a television station which is community licensed in the New York metropolitan area, I can tell you, too, that our board of trustees represents a wide, diverse constituency. We have a 36 member board of trustees. They represent the entire broad community.

As we make programming decisions for the station, we make programming decisions based on how they best serve the viewer in our local community. That is one of the great strengths of public television.

The New York metropolitan community has different needs from the community in South Carolina or other locations. We program all of our stations differently. Some have called us weak, saying that we do not program like NBC or CBS or ABC. But I believe that what sometimes is called weakness is very definitely a strength because we are there to serve the underserved.

We know we are part of the fabric of the community. We know what that community's needs are better than anybody else. We are going after those very specific niches and needs. It is quite a privilege to be able to operate in that kind of environment.

Senator INOUYE. Thank you very much.

Doug.

Mr. BENNETT. Mr. Chairman, from the radio perspective, I would like to make a couple of comments. We think the allocation in the present act is working satisfactorily. In the case of radio, it permits the CPB to

decide how much of its funding it wants to provide to the stations and for what purpose.

It has a mandate to support national programming and also to provide community service grants to the stations. The balance can be adjusted.

We have recently reorganized the funding pattern so that the CPB retains a fund of about $3 million for program innovation. The remainder of the money goes to the stations in two categories.

One is in a community service grant that the stations can use for anything. The second grant is one the station must use for national programming, so it is a little like Mr. Grossman's idea.

The very important point which goes back to something that is in my written statement is that all of our national programming is supported by all of the stations' revenue streams. All of the stations' local activities are supported by all of their revenue streams.

The national programming contributes to what they can do locally. They contribute to the national programming. It is very hard to segregate these funds in a way that makes sense from the radio point of view.

Furthermore, the Federal contribution, if it were earmarked exclusively for programming, would have the effect of saying to everybody, listeners' stations, tthese funds are for national programming. All other funds should go to other places.

Being able to apply the national support for all station purposes enhances that partnership, and it makes it easier for the stations to go to their state funding sources, to underwriters and to listeners.

Incidentally, I gave you a bad figure a minute ago, for which I apologize. The figure I should have said was $12 million and not 4 million.

The effect of the Federal participation on public radio at the station level is to add one more major player to that partnership. So on this particular issue, we have in radio a balance that is working pretty well at this point.

Thank you.

Senator INOUYE. Thank you.

Senator Pressler.

OPENING STATEMENT BY SENATOR PRESSLER

Senator PRESSLER. Thank you, Mr. Chairman, and I thank the members of the panel. Many of the questions I had have been asked. I might make a comment or two.

Yesterday, Veterans Day, I was privileged to be on the South Dakota public television network on a program on Vietnam veterans. It probably would not have been created or aired if it had not been for public television.

I do not know if anybody watched, but it felt good to those of us who were on it.

Let me also say that living in the District of Columbia where we cannot get cable TV, we have a thing on the top of our house to pick up the various public stations. I pick a lot of them up. It is a saving grace on some nights when I am home, trying to avoid all of these Senate speeches.

In any event, there are some areas of concern. I do have a statement, Mr. Chairman, I would like to read for the record.

Mr. Chairman, first let me thank you for scheduling today's hearing on public broadcasting. With the CPB celebrating its 20th anniversary this month, this is a very timely hearing. I would like to take this opportunity to extend my congratulations to everyone involved in the CPB and wish them much continued success in the future.

I have been and will continue to be very supportive of public broadcasting throughout the country. In my home State of South Dakota, many citizens rely on public radio and television for a number of sources of information. I am very proud of the South Dakota Public Broadcasting Network and the valuable progrms they offer.

I am looking forward to hearing from the witnesses and learning what they foresee for public broadcasting in the years ahead.

Again, Mr. Chairman, I thank you for holding this meeting and hope we gain further insight into the important issue of public broadcasting.

I, too, am somewhat concerned about the programming. I see a lot of old movies and reruns of TV serials and so forth, and maybe this is as it has to be if there is to be enough money to do some local production. I think that those questions have been asked pretty well.

I particularly enjoy some of the animals in Africa programs. I think it is just terrific that are on; however, there are occasionally things that are troublesome in the public broadcasting area, and I say that as a supporter of public broadcasting.

For example, I read an editorial recently in a small South Dakota paper about a small radio station, I believe, in Mobridge, South Dakota or up in that part of the state. It is locally owned and has never made much money. It has provided a lot of public service, weather information and so forth, and public radio is now coming into that area or has come into that area.

I guess I would ask each of you what would you say to the owner of that local radio station who now feels that his audience will be much less, his chances for survival will be much less? What would you say to that individual? This is a market where there really is not much money to go around.

Mr. BENNETT. I am a radio person. I think that it depends upon what else is in the person's market. I would respond by saying that there are markets in the country where there are as few as one or two stations. I mean, in our smallest market there is only a public radio station, and I am thinking of one other in Sitka, Alaska where there is one commercial station and one public station.

What has happened in that market is that they have differentiated their services. The public station is carrying Morning Edition and All Things Considered and local programming. This is an NPR member station. I am not sure whether the one you are talking about would be.

What happens is there is a differentiation of service. I think that our commercial broadcasting colleagues, despite the current momentary fray, would agree that, in general, public radio is good for commercial radio. More radio listeners are good for radio markets. We find that where there are two or three public radio stations in the same market, they are good for each other.

This may not be a perfect answer for this particular individual.

Mr. BAKER. Let me try to comment a little. I am probably absolutely the wrong person to do it, operating a television station in metropolitan New York.

Senator PRESSLER. I think there are probably television stations that are in an analogous position. It is just a question of what that fellow sees. He sees radio coming in that has some sort of support from the taxpayers and support from national advertisers or whatever foundations. He has been struggling along.

The point is, as I guess the Senator would know, you get in a position where you are face to face with somebody, and what do you say to him from his point of view.

Mr. BAKER. First, let me talk about a few things if I might, Senator. You mentioned that you were on public television in South Dakota and wondered if anybody was watching. I think the good news is that there were a lot of people watching.

Generally, nationwide it is about one out of every two people watch public television once a week. That is the way it is in New York, and I think that is pretty much the way it is around the country.

I am a former commercial broadcaster. I spent 30 years in commercial broadcasting. I love that industry and think it is a fine industry and one that serves this country well. I also feel that for the citizens of this country to have the diverse programming base that they truly deserve, we have to have a strong commercial broadcasting system and a strong public broadcasting system.

I cited earlier in my remarks that I believe that public television actually saves our commercial colleagues millions of dollars by doing a number of things.

First, we are noncommercial. We are not taking any money away from them because we do not take any commercial dollars at all.

Second, we are doing programming that is specifically for segments of the audience that are not economical to broadcast to in a commercial sense. We are broadcasting to minorities, to children. We are doing public affairs programming that, by its nature, gets smaller audiences, cultural, arts and educational programming which has a vital need, a vital constituency, but it does not get the bushel basket kinds of numbers in ratings that entertainment programming gets.

So as my colleague in radio said, I have told my commercial broadcasting friends and former colleagues that, if anything, we are a tremendous ally. We help them. We do part of the job that is uneconomical for them to do; that, which if we did not exist, they might be mandated into doing.

So I think it may not be, again, the perfect answer for someone at a station in South Dakota, but I can asure you that I certainly have not changed my story; that we can go through the record of all that I said as president of a major commercial broadcasting company over a lot of years and I have not changed my story simply because I have gone to public television.

I mean this from the deepest recesses of my heart, and I think down deep most commercial broadcasters feel this way as well.

Senator PRESSLER. Another area of concern is the slant, let us say, on news programs and public affairs things. I think it is generally assumed that public television and maybe television in general comes at things a little bit from the left. By that, I am not really criticizing.

Maybe that is stimulative. I would say, that the approach in teaching and so forth is liberal in the contemporary sense of that term. The diffinitions of liberal and conservative have reversed in the last 100 years.

That is probably because professors and the people in the institutions, a lot of people who are on the conservative side, really do not like government so much and public affairs, and they are out in business or something of that sort.

I know that there are efforts to be balanced, but I think if you took a poll or a survey of people's reactions, you would say that most programming, if it is political in nature, tends to have a slant towards the left.

Now, there was a program on Africa I guess about a year or two ago which was funded, and Mrs. Chaney withdrew the stamp or whatever of her organization. That is an example. I watched parts of it. Clearly, it was not very historically based. Of course, that is one thing that was produced and which none of you had anything to do with.

If it is public affairs or if it is something that is political, let us say, and we all know what we are talking about, what efforts do you take to make a balanced presentation?

Mr. CHRISTENSEN. Senator, you said that if a poll were taken, the public would view public television, anyway, as being to the left. When we went through the difficulty and dilemma in the last few years where we have had some severe criticism of programs on public television from those who are on the right and, in some cases, the far right, we commissioned such a poll, and I would be happy to provide the information for the record.

Seventy-eight percent of those polled said that they judged public television to be fair and balanced and what they considered to be in the middle of political thought and opinion. Nine percent said we were too far to the left, and 8 percent said we were too far to the right. The rest of the people said we did not have an opinion.

So I think where we find ourselves is that very often what we read in the press and what we get by way of vocal criticism tends to color the way we may look at a particular program or particular series of programs that appear, in our case, on public television.

Senator PRESSLER. Was that survey of public television viewers?

Mr. CHRISTENSEN. It was a survey of the general population.

Senator PRESSLER. I would like to get a copy of that. I have seen a couple that have reached other conclusions, but I am sure there are hundreds of polls for every occasion.

[The information referred to follows:]

PTV IMAGE SURVEY.—OBJECTIVES AND PROCEDURES

The public television medium promotes itself as "TV worth watching ... TV worth paying for." The PTV Image Survey was designed to determine the public's perception of PTV, particularly relative to cable channels that also target audiences who are seeking TV worth watching, and who, in fact, are paying for it. The study was performed on a commission from the Station Independence Program of the Public Broadcasting Service by Statistical Research, Inc. (SRI) of Westfield, New Jersey.

BACKGROUND AND PURPOSE

The PTV Image Survey was conducted in three market areas—St. Paul, San Antonio, and Syracuse—where the cable systems offer Arts & Entertainment, the Cable News Network (CNN), Discovery, and, at a premium cost, the Disney Channel. To be eligible for the interview, the respondent had to (1) reside in a cable household and (2) report watching at least one commercial network channel in the evening. Thus, respondents were in a position to have some familiarity with network and cable television as well as PTV.

The following subjects were explored in the interview:

—The television channel most closely associated with selected types of programs, top-of-mind.

—Perception of the programming on PTV, cable channels, and the networks on selected characteristics.

—What viewers want from prime time television viewing.

—PTV viewing patterns.

—Perception of the political viewpoint reflected in PTV programming and attitudes toward expression of diverse opinions on television.

—Demographic and video characteristics.

The highlights and detailed findings that are summarized in this report encompass these subject areas, in this sequence.

PROCEDURES

The sample of households to be contacted was based on a sampling of telephone directory listings. In order to maximize cable penetration and to limit the sample to households served by cable systems that offered the four channels of primary interest, towns and/or neighborhoods were identified for inclusion in the sample. The survey findings, therefore, do not relate to the total cabled market areas of St. Paul, San Antonio, and Syracuse.

Interviewing was conducted from February 27 through March 6, and from March 30 through April 12, 1987. The field work was recessed during the 1987 Festival and the immediately following week in order to minimize the impact of special promotional efforts and programming that accompany Festival. Interviews were completed with 799 adults, 18 years of age or older, who were randomly selected to be interviewed from among all adults residing in the cable-subscribing household.

Appendix A provides a detailed, description of sampling procedures, interviewer training and supervision, and variability of survey results. Appendix B contains a copy of the questionnaire.

POLITICAL PHILOSOPHY ON PTV

Periodically, a "political" viewpoint reflected in public television has aroused controversy. Therefore, a final section of the questionnaire dealt with the respondent's perception of public television's viewpoint and the propriety of expressing a political philosophy on television. All respondents, both PTV viewers and nonviewers, were asked these questions.

The first question was asked as follows.

AS YOU MAY KNOW, PUBLIC TELEVISION BROADCASTS NEWS AND OTHER PUBLIC AFFAIRS PROGRAMS. FROM WHAT YOU HAVE SEEN OR HEARD ABOUT THESE NEWS AND PUBLIC AFFAIRS PROGRAMS ON PUBLIC TELEVISION, DO YOU THINK THEIR VIEWPOINT IS MOSTLY LIBERAL, MOSTLY CONSERVATIVE, OR A MIX OF BOTH?

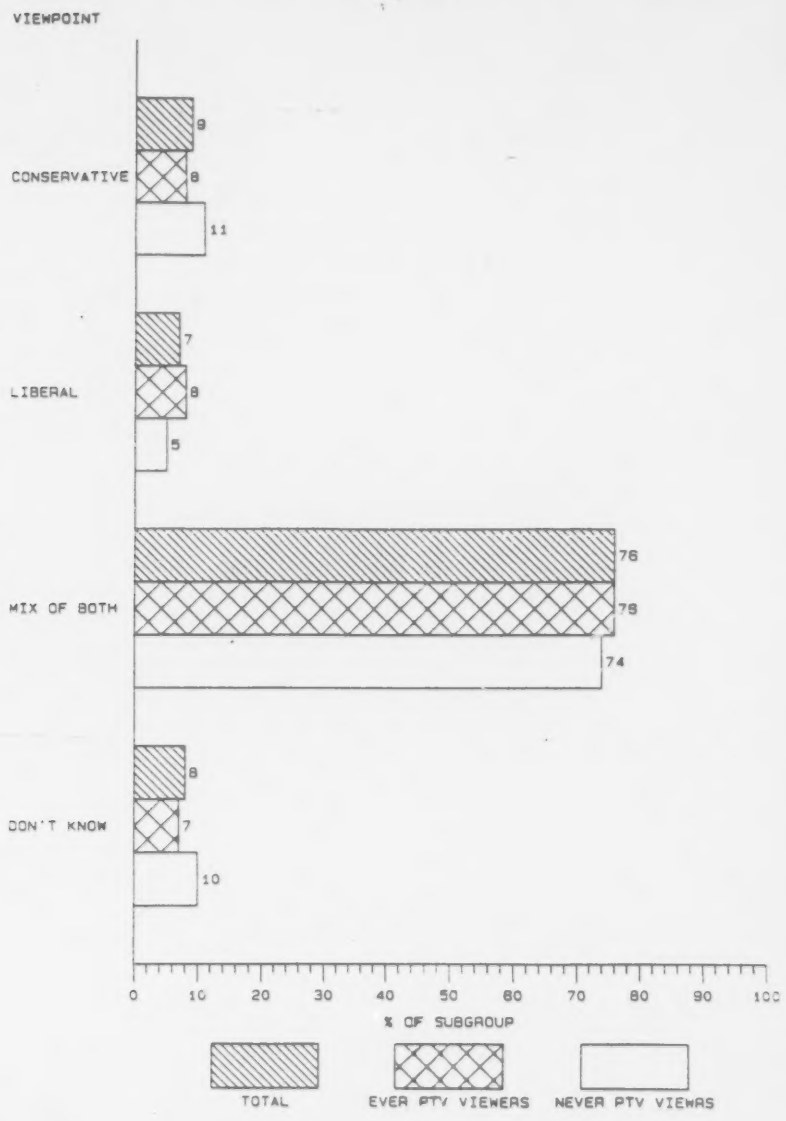
About three-fourths of people, whether PTV viewers or nonviewers, believe the news and public affairs programs on PTV offer a mixed viewpoint. (See Chart 16, page 33.)

The follow-up question read:

SOME TV CHANNELS BROADCAST PROGRAMS THAT CONTAIN OPINIONS WHICH REFLECT A POLITICAL PHILOSOPHY. SOME OF THESE OPINIONS ARE CONSERVATIVE AND OTHERS ARE LIBERAL. DO YOU AGREE OR DISAGREE THAT THERE SHOULD BE A DIVERSE SELECTION OF POLITICAL OPINIONS ON TV? ... AND WOULD THAT BE STRONGLY OR SOMEWHAT?

As may be seen in Chart 17, page 34, about 85 percent of total persons and of ever viewers of PTV agreed with this statement, and almost that many nonviewers of PTV (80 percent). The difference between viewers and nonviewers was in the strength of their agreement. Viewers were twice as likely to agree "strongly" as "somewhat." Agreeing nonviewers split evenly between these options.

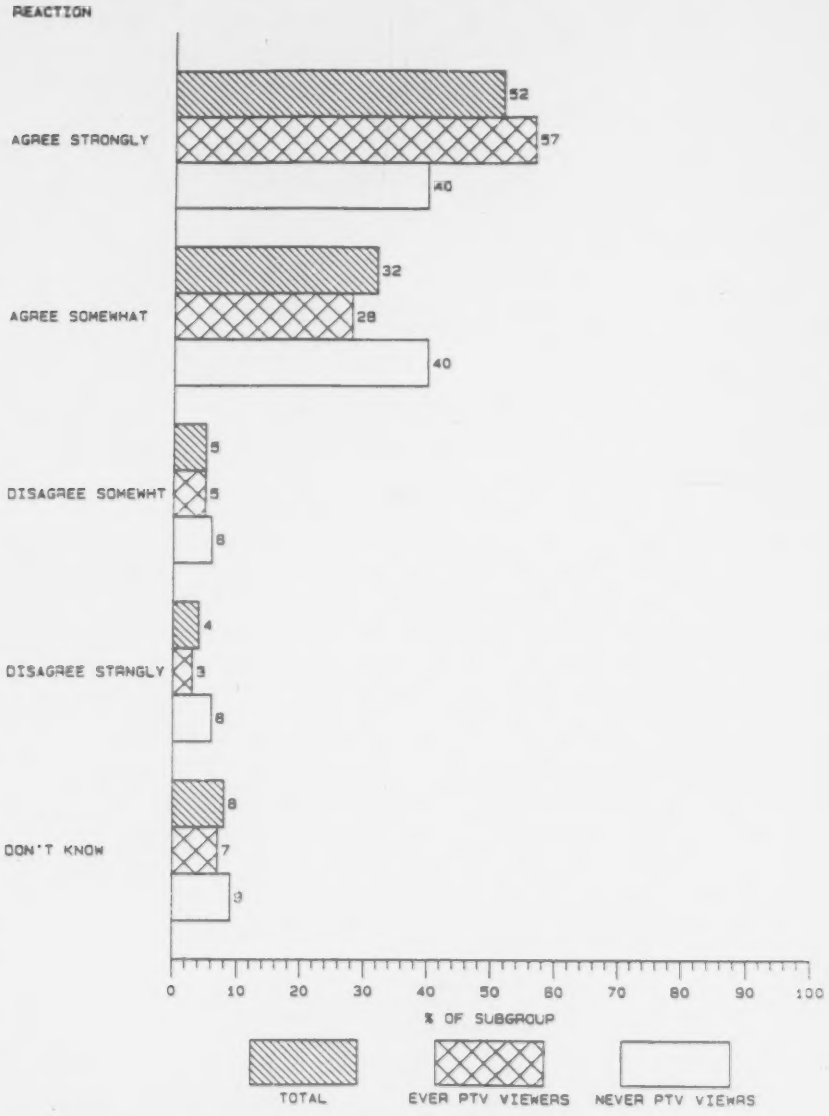
CHART 16
IMPRESSION OF VIEWPOINT EXPRESSED BY PTV NEWS/PUBLIC AFFAIRS PROGRAMS



To be read: The viewpoint of news and public affairs programs on PTV is described as "mostly conservative" by 9% of total respondents, 8% of PTV viewers, 11% of nonviewers; etc.

Sample sizes: Total - 799, viewers - 565, nonviewers - 234

CHART 17
AGREE/DISAGREE: THERE SHOULD BE DIVERSE SELECTION OF POLITICAL OPINIONS ON TV



To be read: Those who "agree strongly" that there should be a diverse selection of political opinions on TV constitute 52% of total respondents, 57% of PTV viewers, 40% of nonviewers; etc.

Sample sizes: Total - 799, viewers - 565, nonviewers - 234

Mr. CHRISTENSEN. Knowing how important this was, we made sure this was one that was done in the proper and correct way. As I say, I will be happy to provide it to you and the committee for the record.

The other thing we did as we went through a lot of question and criticism about public television's editorial approach and standards last year, we went through all of the policies and editorial processes that public television pursues and have made some changes in the way we approach it, largely clarifying that programs that express a particular point of view or opinion are appropriate to be included in public television broadcasts and releases. That I will also be happy to provide for the record so you can see how and in what way the editorial judgments are made.

PBS does not make decisions about program content, per se. What we do is look at the programs once provided by the producers and then schedule them. If we are persuaded that they represent an important point of view, that they clarify or at least represent a significant position on a particular issue, we try to make sure that the American people have access to those kinds of programs.

That is the kind of approach we take to it, Senator. As I say, I will be happy to provide this other information for the record.

Mr. BAKER. Senator, too, if I might add from the point of view as an operator and one who has no history, I do not think you heard that I have not been in this position long. I came from commercial broadcasting after being there for 30 years, and I have only been in my public television seat for five months. So I have no history to defend.

Just from observation at a station like WNET, which is the coproducer of the MacNeil/Lehrer NewsHour, I can tell you that the foundation of that format is one of balance to present both sides of a given issue.

We have a wide and diverse community board that we are responsible to, and, of course, we are responsible to the entire community. We ask for community support, and we have to be responsive to them or we literally could not exist.

I feel pretty good in that a station with the huge audience constituency that we have in the millions of people, we get very few letters complaining about bias or imbalance. As a matter of fact, I usually get them equally distributed on both sides, which makes me, sitting in my chair, feel that we are probably doing a good job. Even with that, there are relatively few of those.

Mr. BENNETT. Senator, National Public Radio is a national news organization, so we have to make hundreds of editorial decisions every day.

Our commitment, in answer to your question, is to achieve the maximum of objectivity and balance that we can possibly achieve. The fact that most of our reports are fairly extended, that we take more than just 30 seconds or so on most stories, gives us a special obligation to do that and an opportunity to do it.

There is another very interesting poll, if you want to pursue this question, by the Los Angeles Times about two years ago. They had been doing a series on public attitudes toward media, and my attention was particularly caught by your comment that all media suffer in some way from the same concern about whether they are biased.

One of the things that emerged from the study is that people are skeptical about the role of reporters. A reporter is somebody that gets between you and the facts. It is a little bit like being a Senator. I think that when you step off the plane going home and bring a perspective of the world that may be a little bit jarring to some of your constituents, they probably think you are super liberal or super conservative or something has gone terribly wrong.

I think the reporter in any medium has the same experience, and that is a lot of what you are hearing.

To repeat, we feel that we have a special obligation because we are funded by so many different sources and by the public and because we try to serve a wide variety of listeners to be as objective as we possibly can be. In that process, we will always run across people who are shaken one way or the other by something we report.

Senator PRESSLER. Thank you very much, Mr. Chairman.

Senator INOUYE. Senator Stevens.

Senator STEVENS. I have no questions at this time, Mr. Chairman.

Senator INOUYE. I have just one final question.

With the present infrastructure in CPB and present funding, if you had to program the so-called Bill Cosby Show at the same time slot, would you have just as many viewers as you will find on NBC?

Mr. CHRISTENSEN. Senator, I would hope we would, but I think part of the key to that is whether or not people would know the program is on the air.

One of the real problems we have and which we struggle with all the time is trying to make sure people know when a program is on the air.

Senator Pressler said he hoped people were watching his program. It may well be that they did not know the program was on. So we struggle with the dilemma of putting money into advertising and promotion for shows that will be on, where the commercial stations themselves have the great advantage of having not only a means by which they raise money but also a means by which they promote the programs that raise that money.

I guess what we have seen in practical results is when our programs appear on commercial networks, and some of them have, they generally get higher ratings on the commercial networks than they get on public broadcasting. That is because people know the programs are on the air, and they know where to turn to get them because they are promoted and advertised.

That is one of the missing elements that we have in our industry. We really do not get that story out as much as we would like to because we are keeping all of the dollars we can and trying to get them channeled into the programming side of the enterprise.

Senator INOUYE. One of the criticisms that we have received is the level of political influence exerted on public broadcasting.

First, is that political influence heavy or inordinate?

Second, if so, how would you suggest that we minimize it?

Mr. LEDWIG. Mr. Chairman, if I may answer from the standpoint of the Corporation for Public Broadcasting, in my view the rhetoric on that subject far exceeds the record.

I think the record of the Corporation since I have been there has been one of doing its job, carrying out its mandate, and I have not seen the intrusion that is perceived sometimes in the media. I think it is an exaggeration.

Now, there are some historical events that are a matter of record, and different people have different judgments about that.

I see the Corporation and I see the current board, particularly, as being a group of objective and balanced citizens who are trying to do a public service. Thanks to the work of your Committee and so forth, together with the White House, we have received outstanding board members who bring much to the table, and they bring it in an objective and balanced way. I am delighted with whom we have on the Board now, and I look forward to working for them.

Mr. BAKER. Senator, my observations are that the system works pretty well, works very well, and that the insulation from politicizing is exceedingly great, and the CPB does a very good job at that.

Also, there is another reality. At public television stations around the country, we employ citizens. We employ people who are independent, free-thinking people. I know at WNET if there were any attempt at political pressure from me, from the CPB or from anybody else, the kinds of people that work at our public television station would rise up and make some public statements themselves.

So those are the kinds of people that have come into the public system, and I am very proud of them all, actually having hired virtually none of them.

Senator INOUYE. Ms. Ding.

Ms. DING. I wonder if we should be rushing to assure everyone that we are really very evenhanded and are not political or politicized.

We are looking to expand the area of public debate where positions are presented strongly, clearly and passionately. You cannot have it in a middling kind of way, perhaps as a journalist has to present something in terms of on the one hand this and on the other hand that.

It seems to me that one of the things we mean by public television being truly unique or having a unique opportunity to provide a forum, to provide a basis for the common life, is that it can bring these unpopular or unfamiliar or controversial views without labeling them either left or right but simply positions that are clearly stated and argued. Let all opinions be heard. Let that debate take place, and let the public hear it and let the public decide.

Mr. CHRISTENSEN. On the television side, I agree with Don, and we have Howard Gutin, who is the chairman of the CPB board in the audience as well. They understand and are committed to seeing that

there is the kind of insulation from political pressure that on occasion has come through the CPB.

The record is clear about the kind of influence and intrusion that has happened from time to time. We went through a period of time as we dealt with the program. Africans and the point of view of an African, trying to present that point of view on the air, which was not a comfortable one and which occasioned what one of the Corporation for Public Broadcasting board members proposed by way of a content analysis of public television's programming to see whether or not it was in fact balanced or fair.

We ought to be held accountable for the programs we put on the air, and we are accountable to the public who watches those programs.

I think it is also important for the subcommittee to look carefully at that record and see if, in fact, adequate measures do exist and adequate insulation is in place to see the chilling effect that may occur when the kind of proposals that were put forward for content analysis of our programs gave us at least some reason for concern on the television side.

Senator INOUYE. Senator Stevens.

Senator STEVENS. Do you not think it goes as little further than that in the sense of the individual citizen who is a taxpayer and has a direct interest in your programming, whereas in terms of the networks and independent stations, their connection is as a consumer? They do not quite draw the same direct connection to the private over-the-air broadcasting that they do to public radio and TV.

As a matter of fact, having been a very firm supporter of both public radio and TV, as I think all of you know, I believe I get more questions about the necessity for having so much of an increased news emphasis on public radio and TV in view of the fact that the commercial side has more than adequate news coverage.

It is in the news area that I have had the most complaints from citizens throughout the country about the activities of public radio and television.

As a matter of fact, you have had an increased news content in the last five years compared to the first five years of your existence. I wonder whether that has been studied and whether it is really necessary to have such a direct involvement of public radio and television in expanding news coverage when there is a plethora of news coverage as far as our media is concerned already.

Mr. BENNETT. Senator, if I could comment on that from the public radio point of view.We have expanded our service, as you undoubtedly know, to a full seven-day-a-week morning and afternoon service. It used to be just five days a week. So there are more hours of national public radio available in most markets.

All I can report to you is that that is the fastest growing audience. In other words, if you look at our audience figures, it seems news and information is what people are turning to public broadcasting for. We are satisfying that market.

Secondly, in radio, the commercial stations over the last few years have actually been reducing their time for news fairly substantially. I think that may have stopped now, but there is no other national radio source where you can go for the kind of coverage that public radio provides.

I would suggest in the television area, which we have been talking about, there is no other MacNeil/Lehrer and there is no other Moyers show, to take another recent example.

I think that there is an exposure when you are talking about public affairs that does not exist when you are talking about cultural matters. By the same token, there is a very long history in this country which includes the Constitution and includes a very long history of journalistic practice that has told us a lot about how to do that and that is objective and fair.

Finally, to go back to a point that you made at the very beginning on behalf of the taxpayers. I really do personally feel that we have an obligation that goes even beyond the standards of private journalism in the country to achieve objectivity because we are funded by everybody. That is not just the taxpayer. It is also a lot of people in the local communities who contribute to their local stations.

In what kind of an environment, we have to work very hard not to avoid being provocative, to go back to Ms. Ding's point, but to be sure that what we are doing is honest and complete. We are not going to succeed absolutely every time, but I think that the reason the audience numbers are going up is that we are being fairly successful with it.

Mr. CHRISTENSEN. What we are trying to do on the television side, Senator, is to be different than the commercial stations. The MacNeil/Lehrer NewsHour, I guess, is the premier and outstanding example.

But if you take a series like Frontline where the documentary form is all but gone on commercial stations, long form documentaries, in the last six or seven years more prime time documentaires have been presented on public television than were presented in the last 20 years on CBS Reports.

So we are really looking for ways to fill a void that seems to be missing and also doing some things that are innovative and different. The original MacNeil/Lehrer Report, which was the precursor of the NewsHour and also of Nightline, we find those things which are being originated and developed and tried and experimented with, which is part of what we are trying to do in public television, and finding their way into other journalistic forms as well.

Senator STEVENS. How much of it is really competitive in the sense that if the news programs are the programs that local advertisers will pay for in all media?

You all know the impact of public radio and public television in my state. I am not being critical.

What I am saying is that I think you have to recognize a higher standard of care in dealing with these subjects as we go into the future, because those are the programs that the local advertiser will pay for. To

the extent, though, that the local radio loses the news, they are going to lose local commercial support on a daily basis.

I think you have to be very careful about the competitive aspect of the subject matter as you proceed now, because I again say this is the only area I have ever had any criticism of public radio and television in, the political aspects of some coverage in the news area.

By the way, they make the criticism of the commercial sector, but they do not feel the same connection, again I say, to those as they do to all of you.

Mr. CHRISTENSEN. I think you are right, Senator.

Senator INOUYE. I wish to thank all of you ladies and gentlemen for spending this time with us this morning. I can assure you it has been very helpful.

We will keep the record open for another two weeks. If you have any further statements you would like to add, please feel free to do so.

We will be submitting to you questions, and I hope that you can respond to them.

[Whereupon, at 10:55 a.m., the hearing adjourned.]

ADDITIONAL ARTICLES, LETTERS, AND STATEMENTS

STATEMENT OF HON. TERRY SANFORD, U.S. SENATOR FROM NORTH CAROLINA

Mr. Chairman, I want to commend you for holding this hearing on the future of public broadcasting. I would also like to thank the Chairman for giving me the opportunity to testify.

It has been 20 years since the report of the first Carnegie Commission on Educational Television brought new direction to the idea of a publicly supported alternative to commercial broadcasting. I served on the Commission and remember well the fears that were expressed: No matter what was done, some felt, if federal funds were appropriated for what the Commission inventively called "public television," political control and influence were sure to follow. We debated, held hearings, researched other countries, invited ideas from all corners and looked at many options and proposals. We labored hard to devise institutional structures and funding techniques that would assure this medium's political and cultural independence.

Looking back on the 20 years since the Commission reported and the Public Broadcasting Act of 1967 was passed, there is much to be proud of. Public broadcasting has pioneered in "responsible television," to use Alistair Cooke's phrase -from The MacNeil/Lehrer News Hour and Washington Week in Review to gavel-to-gavel coverage of the Watergate hearings and portions of important Congressional events such as September's Bork confirmation hearings; from Nova and Frontline to The Constitution That Delicate Balance and Eyes on the Prize.

Public broadcasting has also brought cultural programming into millions of American homes where families would never otherwise be able to see such extraordinary programs as those presented by Live at Lincoln Center, Dance in America, Great Performances, American Playhouse, and On Stage at Wolftrap. It has been able to give support and prime air time to the intelligent educational series-Man and the Cosmos, Vietnam, Heritage: Civilization and the Jews, The Brain, Nature and The Adams Chronicles.

It has brought to America the best programs from England such as Masterpiece Theater, the Shakespeare plays, Kenneth Clark's Civilisation, and Bronowki's The Ascent of Man. It has revolutionized pre-school and primary-school education with Sesame Street, The Electric Company, 3-2-1 Contact, Reading Rainbow, and Mister Roger's Neighborhood.

It has also created an extraordinary medium in National Public Radio, providing programs such as All Things Considered, Morning Edition, and A Prairie Home Companion.

While there is much to be proud of, there is also much to be concerned about. A recent article in TV Guide pointed out that, because of cable and video-cassette competition and some disillusionment, contributions by corporations are not rising at previous rates. To make matters worse, the current administration has tried to cut appropriations for public broadcasting out of the federal budget altogether. While it failed in that effort, it did succeed in decreasing the appropriation from $172 million in fiscal year 1982 to $137 million in fiscal year 1983.

The second Carnegie Commission, in 1979, revisited all the issues in public broadcasting and looked back on what was then its ten-year history. Because Ronald Reagan won election in 1980, its recommendations were shunted aside. A marketplace theory of philanthropic versus federal support was substituted.

Fortunately, the Congress did not allow that to happen. None other that Senator Barry Goldwater of Arizona was the major defender of public broadcasting in the Congress, preventing the administration from "zero-funding."

Now, on the eve of the elections of 1988, it is time to pick up the financial and structural recommendations of both the first and second Carnegie Commission and consider them once again. The second Carnegie Commission suggested balanced funding from many sources, equal to $1.2 billion per year, half of the funds to come from federal appropriations. They looked at many techniques. Among them were a number of recommendations that need careful reassessment. These include the dedicated tax beyond the reach of annual Congressional appropriations through an excise tax on television sets (recommended by the first Carnegie Commission) and the special fees on licensed uses of the spectrum (recommended by the second Carnegie Commission). These recommendations should receive new Congressional hearings in the next few months and debate by both parties during the presidential campaigns.

But one recommendation by the second Carnegie Commission should be enacted immediately, because it is necessary to clear the air and set the stage for other changes. Congress should move immediately to change the way in which the Board of the Corporation for Public Broadcasting (CPB) is chosen and appointed.

The record of presidential appointment over the past twenty years has not been good. Whether Democrat or Republican, presidents have used the CPB board as a place to park political appointments, trading off seats for contributions or for Senate votes, or seeing the system as one that must be controlled either ideologically or politically.

There have been some good appointments, of course, but, looking at history without rose-colored glasses, it is a fact that in the 1970's, the Nixon administration tried to pack the CPB board and control who was allowed on the air. In the 1980's, the Reagan administration has had its own ideological and political agenda for its appointees. Even President Carter sought to trade CPB appointments for his priority legislation. Thus, outright presidential appointment has not brought to the CPB Board-as the first Carnegie Commission hoped it would-the leading artists, scientist and thinkers in America to make the choices for a new public medium.

The politicalization of CPB has been unhealthy and has had its consequences. It has created over the years a strong and expected reaction in the Public Broadcasting System (PBS), which represents the stations, and the results has been political and internal fighting with a resultant unhealthy bitterness and mistrust. It is a supreme irony that the stations, 20 years after the creation of the Corporation that was supposed to be their political heatshield and advocate, view CPB with grave suspicion.

The second Carnegie Commission on the Future of Public Broadcasting took up this question in 1979 and examined a range of options for improving the quality and independence of the CPB board. The conclusion was that presidential appointment and Senate confirmation was a valuable process, but that it would be considerably strengthened if the possible nominees came out of a pool of candidates selected by a distinguished panel and then recommended to the president.

The Carnegie Commission suggested a nominating panel made up of the Librarian of Congress as chairman, the director of the National Science Foundation, the chairman of the National Endowment for the Art, the chairman of the National Endowment for the Humanities, the secretary of the Smithsonian Institution, a representative of public television and a representative of public radio.

The above group was balanced among people appointed by the president and the Congress, and the people from freestanding institution similar to CPB and representatives of the system. Its mission would be to search out and nominate leading Americans from the arts, the sciences, the humanities, and the preservation of our heritage. The Commission has also recommended that the name of CPB be changed to the Public Telecommunications Trust and that each seat be for a term of nine years, staggered initially so that no more than one seat would come up for appointment each year.

Those terms could be shortened (many on the Carnegie Commission supported a six-year term and I feel a six-year term would have a greater chance of passage). The idea was to create a distinguished board of leading names and figures in America who would serve on the CPB board beyond a president's term. Under the Carnegie II plan, this Board, in turn, would create a Program Services Endowment which would be "highly insulated and semi-autonomous," to develop ideas and approve grants for national programming.

The time is ripe to discuss such questions because the nation is at one of those rare points: There is an end of a president's term, no incumbent is running; after 20 years of experience under the Public Broadcasting Act there is broad recognition within the public broadcasting community that the existing structure has been disappointing.

This single action would represent, in the minds of many people, a giant step in introducing new personalities of substance to the center of the system and lay the groundwork of credibility and distinction that is necessary if we are to have further far reaching improvements.

Changing the manner of selection of the Board of CPB would take partisan politics and harsh ideological debate out of public broadcasting. It would then allow the Congress to address financing and other structural reforms in concert with leading American thinkers to determine what was best for the system, to produce the most creative results, to achieve programs of diversity and high quality. The investment of the American people in public broadcasting, since 1967, has paid for itself many times over in enriched programming and the creation of a cultural and educational environment in the home. It is time to look at its weaknesses, its history and its future and take steps at this rare turning point in history to set things right.

TESTIMONY OF JOHN WICKLEIN, director, Kiplinger Midcareer Program in Public Affairs Reporting of the Ohio State School of Journalism

By way of introduction, my name is John Wicklein. I am director of the Kiplinger Midcareer Program in Public Affairs Reporting at the Ohio State University School of Journalism. In public broadcasting, I served as the first news director of Channel 13 in New York, as a bureau chief in Washington for public television and as program officer for news and public affairs programs at the Corporation for Public Broadcasting. I am now coordinator of the newly formed Working Group for Public Broadcasting, a citizens group that wants to work for constructive change in the institution. At this hearing, however, I am speaking only for myself.

I am a strong believer in public broadcasting. I think we need it for the sake of diversity. I believe it is in the best interests of the people to have a public system that can provide programs that are different from those produced under the constraints of commercial sponsorship.

At its best, public broadcasting can give us fine, entertaining cultural programs and exceptionally interesting news and information programs. But, under the present structure and financing, it cannot give us these things consistently. As a close observer of public broadcasting since it began, I have come to believe that, as it now exists, it does not work--and, as a result, it is losing its independence.

The reasons for this go back to the Public Broadcasting Act of 1967. Two provisions written into that act--appointment of all board members of the Corporation for Public Broadcasting by the President and annual review of funding authorizations by Congress--practically guaranteed that improper political influences, whether subtle or direct, would be exerted on its programming. And the fact that the act did not provide a stable, adequate and insulated source of income practically guaranteed that corporate underwriters would become major decision-makers in what we see on national public television.

Inevitably, a liberal President will appoint CPB board members whose expectations are that the system will produce liberal programs. When a conservative President comes in, he will appoint a board that exerts pressure to produce conservative programs. With annual review of funding authorizations, producers and programming administrators are bound to do programming with an eye to what Congress will support, or, at least, not object to.

Corporations, when they support public broadcasting, want programs that will enhance their images. They do not, for example, want to support programs on controversial issues. When and underwriter says to a station that is struggling to survive, "Look--if you do this series we want done, we will give you ten million dollars a year to do it," you can be sure that series gets done. We ought to provide sufficient insulated funding to remove the system from having to abdicate its programming judgments to corporate underwriters.

This is not a partisan issue. It is in everybody's interest, conservative or liberal, Republican or Democrat, to have a public broadcast system that is independent and insulated from political and commercial influences.

The motives behind the Public Broadcasting Act of 1967 were beautiful. In practice, it has just not accomplished the goals of its framers--to give us an independent system that would provide diversity and reflect the many aspects of American life. What we see, instead, is a movement to make it a commercial broadcasting system with programs that are no different from those of other mass market media. I think that would be a serious loss. The market place just does not bring out the best we have within us, and public broadcasting should not be reduced to the market place mentality.

I believe the public broadcast act should be changed to address these problems. Ideally, what could such changes accomplish?

First and foremost, a new act could provide dependable, year-in, year-out supply of revenues in sufficient amount to make possible an American public broadcasting system worthy of the name. It could make possible cultural productions equal to or better than the ones the system now imports from the BBC. We know there is enough talent in this country to do that, if the producers have the money to do it.

Such funding would make possible a national news organzation that would be a match for, and an alternative to, the commercial network news operations.

Several methods of providing these funds have been proposed. Among them are an import tax on sets made overseas, an excise tax on domestic sets, a small percentage levy on gross revenues of commercial broadcasting, a spectrum fee for the use of the public airways by commercial stations or a transfer tax on the sale of stations. Any one of thse, or a combination, could provide the necessary funds.

A second major consideration should be to restructure the system to eliminate the direct political controls under which it now operates.

One way to do this could be to charter an Independent Public Broadcasting Institution, perhaps along the lines of the Smithsonian Institution. This organization would be empowered to produce and distribute programming, using federally generated funds for this purpose alone.

The Institution could take half its funds to produce and commission cultural programs and provide comprehensive coverage of national news and public affairs for transmission to the stations.

The present structure does not permit public television to present a well-planned, balanced menu of information programs and wide-ranging coverage of news and public affairs. Programs such as the "MacNeil/Lehrer Newshour" and "Frontline" perform a valuable service in their respective areas. "All Things Considered," "Morning Edition" and the "Weekend Editions" on National Public Radio present news and information very well, and programs of this kind should be replicated on television. But what is needed over all is a national news and information organization that could incorporate these programs into a plan of coverage that includes nationally produced special events programs and short-range news documentaries, as well as public affairs documentaries produced by the stations.

Part of the funding for this national service should be dedicated to funding and distributing programs by independent producers. Every year, independents produce some of the most interesting documentaries and cultural programs seen on public television, and their ability to do should should be increased.

The other half of the funds available to the Institution could be passed through directly to the local stations, specifically to produce and acquire community service programming that can compete in quality and interest with the commercial stations in their areas.

The governing body of such an institution must obviously be removed as far as possible from politics. That means that its members cannot be appointed by the President--any President. Some thoughtful analysts have suggested that the oversight body could be selected by a nationally respected, nonpolitical search committee. I am not going to go into that now, except to say I think it is within the powers of the human mind to devise checks and balances that could protect this new service from the corrupting influences that have been endemic in the structure up to now.

Some people in public broadcasting have said to me: "Yes, I know it ought to be organized better. But you can't change the system--so let's just take the money and run."

That defeats the whole purpose, I think. Public broadcasting is worth doing, and it is worth doing right. I still believe it is possible to devise methods that will empower the institution to provide the valuable and exciting--and independent--service that was envisioned when Congress first set it up twenty years ago.

Association of Independents in Radio
PO Box 2505 Church Street Station New York NY 10008-2505
212 463 7833

Prepared statement
from: Association of Independents in Radio
to: The Senate Commerce Committee
November 11, 1987

Mr. Chairman, honorable Senators of this Committee--

Thank you for the opportunity to address some of the issues that face the public radio system. AIR is the national organization of professional independent radio producers. You may not be aware of us, but you know us by our work. Independent radio producers have contributed to public radio since the first educational station was licensed. Collectively, we have had a large part in developing the "sound" of public radio...with such award winning programs as "The Bob and Ray Public Radio Show," "The Bill of Rights Radio Project" and "The Sounds of Science." In addition, National Public Radio and American Public Radio depend on us each day: Independent producers provide "All Things Considered," Morning Edition" and "Kids America" with 20% to 30% of their daily program content.

Independent producers also help the system fulfill its mission: to present the many and diverse voices that often go unheard in our society. More than one third of NPR's specialized audience programming, which addresses minority and women's issues, is produced by independents. The most widely used specialized audience vehicle in the public radio system, the weekly magazine "Crossroads," is exclusively produced by independents.

Programming is not the only way that independents work with the public radio system. We serve as consultants, working regularly with stations in every area from fundraising to studio construction. New talent is brought into the public radio system largely through our efforts as trainers, in CPB-sponsored workshops, and in those we have financed with our own labor. It's our tradition to put back into public radio what we have been given.

Independent producers are also a link between this country's arts organizations and public radio, through our frequent collaborations with museums, theater companies and performance groups. These institutions not only bring cultural resources to public radio, they also bring money that pays for the programming that we produce and that listeners enjoy.

Although independents are an integral part of the public radio system, we have no formal institution that supports our work. Other than AIR, we are largely on our own. Unlike NPR, unlike the public radio stations, we have no buffer against cutbacks in funding. Ours is a vulnerable and precarious existence.

We therefore firmly support the proposed station transfer tax as a wise and farsighted move by the Senate. We feel that this stable source of funds will help assure the continued health, growth and diversity of the public broadcasting system.

In a nation in which private concerns are permitted the privilege of making enormous profits from the sale of access to a limited public resource, we believe that this proposal is not only fair, it is civilized.

We are also pleased to note your continued support of independent and national program production through the Corporation for Public Broadcasting and stations' National Program Production Grants. Despite our pleasure in the prospect of this continuing support, however, we are still concerned over several issues.

1) The focus of production funding under the current system has been large, multi-part series. We recognize that the consistency of ongoing series is necessary to the growth of audiences, but, in fact, it is the small projects that develop innovative ideas and new talent. We think public broadcasting needs both.

   A number of successful mechanisms for funding small projects (such as NPR's Satellite Program Development Fund) have been created in the past, but none now exist, and we fear that this void will jeopardize public radio's long-term development.

2) Though millions of dollars are spent each year on national programming, independents receive fewer dollars per program hour than any other entity in the public radio system. We recognize that institutions have overhead costs. But so do we. We need the help of Congress to ensure that independent programming receives its fair share of federal money. We support the Independent Program Service proposal suggested by the Association of Independent Video and Filmmakers (AIVF), but we believe that that solution is useful largely for public television. Public radio has its own separate set of needs and issues.

   One of these issues is the proposed "unbundling" of public radio program services. Generally, stations now receive programming by three methods: (1) they pay membership fees to NPR and American Public Radio for use of the programs those entities distribute; (2) they pay commercial syndicators directly for concert programs; and (3) they receive a vast amount of programming free on the public radio satellite. Independent programming most often falls into this third category.

   While this move to a system in which stations purchase individual programs and series appears to establish a competitive marketplace where more funds are available to independent producers, the actual effect may be just the opposite. Collecting small program use fees from hundreds of public radio stations will be an impossible burden for independents. It will also significantly increase production costs. So that independent producers can continue to make our essential contribution to public radio, we nope to work with CPB, stations and NPR's Distribution Division to develop a means to avoid this potential problem.

   We thank this Commitee for its continuing leadership in support of the public broadcasting mandate for national production by independents. With your help, together with the cooperation of the stations, CPB, NPR and APR, independents look forward to a sound future of increased service to the American people, public radio's audience.

UCC UNITED CHURCH OF CHRIST
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DR. BEVERLY J. CHAIN, Director

November 12, 1987

Senator Ernest Hollings
United States Senate
Washington, DC 20510

Dear Senator Hollings:

Funding for public television is an important issue for public interest groups. As you consider the record developed in the November 12 Communications Subcommittee hearings on the future of public broadcasting, I write to share with you the formal action taken by the Board of Directors of the United Church of Christ's Office of Communications.

We strongly urge you to investigate alternative funding sources for public broadcasting that will enhance public television's independence and reduce its reliance on politically sensitive and/or corporate sponsorship. In and of itself, however, this only protects public television from one side. To complete the process and ensure public television's independence, we urge you to simultaneously consider measures to depoliticize the Corporation for Public Broadcasting's Board. These two steps must be coordinated with one another if either is to be effective.

We further urge that Congress take steps to reassert the importance of independent productions to public television. In 1987, only 8.6% of public television funding will be available to independent producers, a clear breach of Congress' original intent. Productions should be selected on the basis of artistic merit and contribution to public knowledge, experience, and dialogue rather than any political or commercial considerations. In addition, there should be particular emphasis to support minority producers and productions that reflect the cultural and ethnic diversity of America.

The current proposals before Congress to partially fund public television out of a license transfer fee or a tax on the sale of radios, televisions and VCR's offer first steps toward developing more independent funding mechanisms along the lines outlined above. However, we urge Congress to greater creativity in the public interest.

I have attached the text of our Board's resolution for your review. Thank you for looking into these matters. We stand ready to let our constituency know of your efforts.

Sincerely yours,

Beverly J. Chain

Beverly J. Chain
Director

STATEMENT OF LYNN CHADWICK, NATIONAL FEDERATION OF COMMUNITY BROADCASTERS

Thank you for the opportunity to share the concerns and enthusiasms of the National Federation of Community Broadcasters, a membership organization of 200 public radio stations.

In the last twenty years, public broadcasters have developed a programming production, distribution and delivery service in both radio and television. Financing this system has been a struggle. In the nation's current financial difficulties, some people are asking if we can afford to continue federal financial support.

The least problematic approach may be seen as a technical "fix." The proposed legislation to charge a transfer fee upon the sale of a broadcast license is one way to remove the financing question from the budget debate. The NFCB joins with other public broadcasters in strongly supporting the transfer fee. The fee will reduce the cost to taxpayers while further insulating the fate of public broadcasting from political partisanship.

Regardless of the transfer fee, I believe that the American people should want to pay for federal financing of public broadcasting. I don't mean that federal dollars should be the sole source of funding, but the federal government should retain a significant share in the system. Without federal financing, the citizens of the United States would give up their collective voice in the system, which is heard through the appropriations process and these oversight hearings. The system should be designed to maximize the input from citizens while minimizing the possibility of partisanship in programming.

In the last several years there has been much discussion throughout public broadcasting concerning the appearance of partisanship in underwriting, programming and leadership. Responsibility for public broadcasting in large part lies with the Board of Directors of the Corporation for Public Broadcasting. As citizens, broadcasters, and legislators, we all have responsibility to oversee that Board of Directors. We should see that they truly represent the best people we can trust with our system. This overnight role is an on-going job we must accept if public broadcasting is to be public.

We in public broadcasting are creating a national information system. The fact that we continue to need federal support is embedded in the nature of the information system. We cannot expect public broadcasting to compete in the same marketplace as commercial broadcasting. We are playing a very different game with a different set of rules.

Public broadcasting is charged with creating, distributing and delivering the programming that commercial broadcasters ignore because it is not marketable to advertisers—such as lengthy news programming, and children's programming. Public broadcasting is in the business of delivering entertainment, education and news, to its audience. Commercial broadcasters are in the business of delivering their audience to advertisers.

Commercial broadcasters make their living from selling these audiences to advertisers. Public broadcasters try to make their living from donations by the audience, grants and underwriting. The new forms of underwriting look and sound more and more like advertising. As policies have been implemented to reduce the federal role in financing public broadcasting, there is increased concerrn that underwriters may be purchasing audiences just as advertisers do. Clearly, from its mandate, this is not what we intended for public broadcasting. That is why public broadcasting will continue to need support from the federal government, state and local agencies, and foundations.

Federal support is desirable for more reasons than just the dollars. With federal support, citizens have built in the powerful right of oversight on public broadcasting. We should want to have that oversight, as a way to prevent excesses in any political direction and to provide a forum to insist on specific programming, such as for children or senior citizens.

Public stations need federal support as well. The costs of distributing and delivering the programs to the audience should not be ignored since the stations are the final link in the information system. Just as we want to avoid influence on program content, we should want to avoid influence on the selection of programs to be broadcast.

During the Industrial Age we as a nation developed policies to insure the safety of workers and a minimum wage. The Information Age calls for legislation that will provide all citizens access to quality programming. An informed citizenry is the key to an effective democracy. We need to continue our efforts to improve public broadcasting and protect it from partisan influence.

NATIONAL ASSOCIATION OF BROADCASTERS,
Washington, DC, November 12, 1987.

Hon. DANIEL K. INOUYE,
U.S. Senate, Senate Hart Office Building, Washington, DC.

DEAR SENATOR INOUYE: Enclosed is a white paper entitled "Federal Funding of Public Broadcasting," which the National Association of Broadcasters recently released. This white paper deals primarily with our concerns about the Senate Commerce Committee's Budget Reconciliation package, but we believe it also is relevant to the issues being examined by the Communications Subcommittee in its November 12, 1987 oversight hearing of public broadcasting.

Therefore, I respectfully request that this white paper be included in the record of that hearing. On behalf of NAB, I appreciate your consideration of our views.

Sincerely,

EDWARD O. FRITTS,
President and Chief Executive Officer.

Enclosure.[1]

CORPORATION FOR PUBLIC BROADCASTING,
Washington, DC, November 25, 1987.

Hon. DANIEL K. INOUYE,
Chairman, Subcommittee on Communications, Committee on Commerce, Science, and Transportation, U.S. Senate, Hart Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: Pursuant to your offer to provide additional materials for the November 12 hearing record on public broadcasting, I am enclosing a copy of my biography; a fact sheet on the accomplishments of CPB from 1967 to 1987; and supplemental material relating CPB's production commitments to independent producers.

Sincerely,

DONALD E. LEDWIG,
President and Chief Executive Officer.

Enclosure.[2]

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[1] The enclosure was not reproducible and is in the Committee files.

[2] The biography, fact sheets, and commitments to independent producers, fiscal years 1981-87 were not reproducible and are in the Committee files.

CPB Response to Independent Producer Testimony

A. General Comments

A major point of contention between CPB and the smaller independent producers is that we do not agree on the definition of an independent producer. CPB's definition, derived following input from various groups within public broadcasting, including independent producers, is based on the realities that exist in broadcasting, i.e., scheduling, carriage, advertising and promotion, etc.

You have received testimony that places great emphasis on the method of funding having changed between 1981 and 1987, i.e., direct awards to independent producers as opposed to consortia funding of independents, quoting statistics that were derived from their own review of CPB funding announcements. We strongly believe that the importance of the funding decisions lies not with the mechanism but with the product funded. Independent producers funded through the program consortia are indeed valid independent productions. While an alternative to Open Solicitation, consortia funding is in many ways more beneficial to independent producers in that it provides far greater recognition of their work, and garners greater attention, promotion, system carriage and audiences.

CPB is also proud of its record of support of independent production which has ranged from $8.4 to $12.0 million over the past seven years, for a total of $69.4 million. Obviously, the level of commitment fluctuates dependent upon the number, nature and quality of proposals submitted in a given year. While program source is a major consideration in program decision making, we cannot lose sight of the fact that CPB's mandate also requires high quality, excellence and diversity. Diversity of source is, in our opinion, as important as diversity of content.

The independents have also alluded to a significant difference in the cost of independent productions versus station productions, making the point that independents could produce programs much more cost effectively than stations due to overhead and administrative costs. This premise is difficult to prove in that overhead and administrative costs often include different things. For example, American Playhouse funding may include limited promotion costs; independents, on the other hand, may receive production funding and then reapply to CPB toward the end of production for promotion funding which is awarded as a separate contract. While some independents forego salaries, work out of their garages and perhaps do not charge for equipment usage, this is not generally the case. It is our experience that most independents wish to be fully compensated for their work.

A random sampling of projects recently funded disputes this contention and shows that, in fact, the opposite is true. The following list of projects funded over the past year or so demonstrates this fact. Project titles and producer names have been withheld in an effort to respect the confidentiality of the producers' work. Each independent project listed here, however, is among the ranks of the smaller independents.

Cost Comparison - Independent versus Station Productions

Independently-Produced	
120-minute drama	$1,581,432 = $13,179/minute
60-minute documentary	$ 194,352 = $ 3,239/minute
90-minute documentary	$ 714,748 = $ 9,743/minute
8/60-minute documentaries	$3,358,699 = $ 6,997/minute
4/60-minute documentaries	$1,856,223 = $ 7,734/minute
Station-Produced	
90-minute drama	$ 715,838 = $ 7,954/minute
60-minute documentary	$ 151,000 = $ 2,517/minute
60-minute documentary	$ 259,098 = $ 4,318/minute
4/60-minute documentaries	$1,229,306 = $ 5,122/minute

B. The Legitimacy of Major Series (Consortia) as a Means of Supporting Independent Producers

We believe our mandate is to effectively use the public funds to provide high quality television programs which are available to the American public, and in support of public television. In the process of doing this, we utilize the work of independent producers. To use them effectively, it is necessary that they be carried by the majority of public television stations, scheduled in appropriate time slots, and their availability made known to the audience. Inclusion in an established series is the most effective way of accomplishing this. Individual programs must face the above problems alone each time they are delivered to the system. The cost of dealing with this on a one-time-only basis is far greater than it is for a series, and the potential of getting a new audience each time is far less with individual programs than it is with series which tend to develop a following over a period of time.

While it is true that each major series looks for particular types of programming, e.g. drama, documentary, and perfor- mance, there is a tremendous amount of freedom within these groupings for diversity and innovation. Anyone who watches public television with any regularity would have to admit that public television continually brings to its audience a diversity unmatched by any other broadcast medium.

When CPB's Program Fund initiated the major series, it required them to assume, in accepting the funds, the obligations of the Program Fund, including the utilization of independent producers. The Program Fund continually monitors their activities to ensure that they are meeting these requirements.

In reviewing the procedures of the major series (consortia), we feel that they provide independents with the maximum amount of freedom consistent with good business practice. We do not count productions as independent if the producers feel that their artistic or journalistic independence has been impinged.

If one couples the opportunities for independents within the major series with the Program Fund's Open Solicitation, we believe we are providing the broadest range of possibilities to the independent producer available anywhere. Unfortunately, with funding levels as they are, far more proposals are turned down than are accepted. Far more producers are disappointed in their quest for funds than are satisfied.

It should be noted that the Program Fund will never be able to completely satisfy all independent producers' needs and still meet its mandate to support public television. While there is a great deal of overlap in the needs of public television and the needs of the independent producer, there is a significant area of independent work which is not appropriate for general broadcast; e.g. video art, experimental programs and personal essays. In addition, there are many program needs of public televison which cannot be supplied by independent producers; such things as ongoing evening news and special events coverage. These differences will always be a source of conflict betweeen independents and CPB.

C. Points of Interest Regarding CPB and Independent Producers

- Congress declared the purpose of CPB is to: "facilitate the full development of public telecommunicatons in which programs of high quality, diversity, creativity, excellence, and innovation, which are obtained from diverse sources, will be made available to public telecommunications entities, with strict adherence to objectivity and balance in all programs or series of programs of a controversial nature."

- CPB has made the pursuit of diversity an integral part of its mission and all its activities.

- CPB follows a course that will make a contribution to each of the expectatons set for it, without focusing on only a single one (such as "...obtained from diverse sources").

- CPB has assumed that Congressional interest in programming from diverse sources was intended to encourage production from many different sources, not from a particular type of source (i.e., small independent producers). This was intended to counter the homogeneity of network control of production in commercial televison. Accordingly, CPB funds programs from many different stations and producers and combinations thereof.

  In FY 1987, for instance, in addition to the Public Television Program Challenge Fund and the consortia, the Program Fund financed 55 projects in Open Solicitation. Of those 55, 24 were independent productions, 26 were station productions and 5 were coproductions between independents and stations.

  Furthermore, CPB was responsible for putting in place a program distribution system (the interconnection system) that allows stations to receive programming from many different sources. Any producer who wants to distribute a program to stations has access to the satellite at cost. No other broadcast system offers independent producers this opportuntiy.

- CPB's most effective role is to fund programming embodying standards of high quality, creativity, excellence and innovation, but which will also be carried by stations so that the American public will be served. To do otherwise would be to neglect its role as a steward of federal funds.

- CPB meets Congress' expectations by funding programming rather than a specific type of producer. CPB's criteria do not favor any type of producer; they favor quality of production. CPB does, however, offer opportunities for independent producers, large and small, and independents take full advantage of this access. When CPB reports this access -- $11.2 million or 39% of the Program Fund's production funding in FY 1987 -- it includes all independents, whether large and successful or small and unknown.

- The involvement of stations in the program decision-making and distribution process is a means of being market responsive. Indeed, this responds to Congressional concern when, in the early 1980s, CPB funded independent production (Matters of Life and Death, Crisis to Crisis) that was not carried by the stations because of its uneven quality.

- CPB does not accept the suggestion that station involvement of any kind, by any of the 322 public television stations operated by the 184 licensees receiving CPB funds, equates with a single monolithic view in opposition to diversity.

- Finally, CPB believes its commitment to diverse sources of production, within the constraints of the current selection processes, is the best way to balance the production of diverse programming with other expectations, including consistent quality and objectivity and balance.

- CPB believes Congressional instruction on who should receive funding (e.g., Independent Program Service) would be an inappropriate intrusion on programming -- a concern CPB and Congress have worked hard to avoid.

- CPB funds programs which are produced by various groups and combinations of groups other than independent producers and public television stations.

  It is simplistic to think that public television programs come only from two sources. Productions funded by CPB are from a multitude of sources such as: major commercial producers, coproductions with foreign producers and broadcast organizations, productions by universities, museums, and other institutions of learning. These are just a few examples of the productions which do not, strictly speaking, fall into independent or public television station categories.

- Our methods of dealing with independent producers were designed to be in keeping with Congressional mandates to utilize independents and to be as effective as possible in the expenditure of federal funds. In that regard, it is essential that we make every effort to ensure that the programs we finance have the opportunity to be viewed by a significant portion of the American public. Therefore, our approach to best utilizing independent work has been to incorporate it, where possible, in highly-visibl prime-time series with the inherent promotion, system carriage and established audiences that they offer. Independent producers make a vital contribution to these series and, in turn, earn recognition of their work and opportunities for greater success on subsequent projects. For this effort to be successful, independent producers must understand the mechanism of broadcasting.

D. CPB Efforts on Behalf of Independent Producers

Panels

- We use independent producers on all of our panels.
- We have accepted a pool of independent producers which the independents developed as one source of panelists for our use.
- Independent producers are utilized as an integral part of our program priority setting processes.
- We provide staff and panel program proposal critiques, both oral and written, and have personal meetings with independents in effort to help them better compete for funds.

Funding

- Over the past seven years, we have provided between $8.4 million and $12.0 million annually in support of independent production.
- We require that all of the major series supported by CPB utilize the work of independent producers. (American Playhouse has been publicly recognized by independent groups for their efforts in this regard.)
- We have taken greater financial risks in funding independent productions (the small ones) than we normally take.
- To encourage independent producer participation in the early years of the Program Fund, we began our formal solicitation process by limiting the competition strictly to independents.

Outreach

- We meet with the independent producing community at every opportunity. (When traveling in various cities, we are happy to appear before independent groups. Members of the Program Fund staff do this continually, both at the invitation of the independents and on their own initiative.)
- At our expense, we meet formally with the National Coalition of Independent Public Television Producers three times each year in an effort to exchange ideas and information.
- Once a year, also at our expense, the Program Fund brings independents together with public television program managers from across the country to encourage dialogue between the two groups.
- The staff meets individually with independents to review proposals or works-in-progress, and to assist them in obtaining funding.
- We have developed a mailing list of over 6,000 independent producers from across the country. All invitations for proposals are sent to these producers.

- We developed and regularly issue the Program Fund News -- a successful vehicle to inform the independent producing community of funding decisions and new program initiatives, and to report on various meetings and other activities undertaken by the Fund. This newsletter is also mailed to the over 6,000 independent producers on our mailing list.

- CPB has published a directory of independent producers.

- We have submitted independent productions for both domestic and international competitions.

Other Efforts

- We have worked with various groups both within and outside of public television to develop a definition of an "independent producer."

- We financed, with the American Film Institute, a symposium on the independent documentary.

- We have, at the request of independent producers, established an annual fund for promotion of their programs, and we have developed procedures to promote their productions and get them the best slots in local public television schedules.

- We make it possible for their programs to get closed-circuit feeds so that stations will have an opportunity to see them and schedule them.

- CPB has provided funds to send independents to INPUT and other program conferences.

- We have and will continue to experiment with different formats to package independent productions, i.e., Matters of Life and Death, Crisis to Crisis, The American Documentary, etc.)

E. Independent Television Producers - CPB Efforts to Address Complaints

For over four years the Program Fund and representatives of a national coalition of independent producers have been meeting three times a year to exchange information and to address issues of mutual concern.

These meetings were established by CPB to promote direct access to its programming decision-makers and to ensure that there was a regularized response mechanism to address and potentially redress independent producer dissatisfaction with CPB.

One meeting each year brings program managers selected from the four regional networks together with independents, as well as representatives from PBS. These meetings have been quite important in allowing independent producers an opportunity to address their concerns over scheduling and carriage, and overall access to public broadcasting directly to the responsible sources. In addition, they afford PBS and the stations the opportunity to explain to independents how decisions are made. These annual joint meetings have resulted in heightened awareness and understanding of one another's problems and in increased local market relationships between stations and independent producers. As a result of these meetings over the past few years, CPB has made several major changes in its procedures in an effort to address issues of importance to independent producers.

With limited funds, only a small percentage of programs can be funded through Open Solicitation. To ensure a fair and equitable review process, the independents requested that there be some form of checks and balances introduced to ensure that staff had not overlooked an obviously deserving project. Feeling that this was a legitimate request, the Program Fund established a procedure wherein each of the nine panelists, after having looked at the entire listing of 200-400 submissions can "recall" one project. This project will then automatically go into panel in the next Open Solicitation round.

Independents also asked the Program Fund to earmark funds for the promotion of independent work and the Program Fund did so. To date it is a most effective device for alerting both public television stations and audiences to quality independent work funded by CPB.

Virtually every one of CPB-funded major program strands utilize the work of independent producers. The independent producing community, however, wanted CPB to reinforce its stated commitment toward independents to the administrators of such series as American Playhouse, WonderWorks, The American Experience, and Frontline. CPB did so formally, in writing, to the heads of each of these major series, and received assurances that CPB's policy regarding the use of independents was and would continue to be adhered to.

Independents felt that it was important for CPB programming administrators to be more involved with local independents to explain policy, procedures and new directions. CPB staff had always been heavily involved in speaking to independent groups all over the country, but given the impetus by the National Coalition, even those efforts were escalated. Program Fund associate directors spend nearly a quarter of their time traveling to local independent production markets; speaking to producers in the field and individually critiquing as many as 75 independent production ideas per day.

Independents asked for input in determining CPB's programming priorities. In addition to empaneling groups representing PBS, program managers, station managers, television critics, lay board members of stations, the Program Fund regularly calls upon independent producers and minority consortia executives in its priority-setting process.

Given the regular dialogue, accessibility and sensitivity to the needs, problems and concerns of independent producers continually exhibited by the Program Fund, CPB feels that the prospects for consensus on some issues are optimistic. Of course, this optimism is directly proportional to the amount of funds allocated to CPB for programming. The many programming voids and the limited dollars available constantly put the Corporation in the position of having to fund one important thing while killing or starving another.

On some issues, there is likely never to be consensus, e.g., the definition of an independent producer where we fundamentally disagree. CPB assumes that an independent producer is one who is not currently on the full-time, permanent staff of a broadcasting licensee, and a production is deemed independent when the conception, content and budget are the province of that producer, even when the producer works under an executive producer, as with American Playhouse and Frontline, for example. We also maintain that the majority of independent producers we fund fall into the category of smaller independents. There is likely to be no consensus in this area either.

The Corporation recognizes that independents are a crucial, indelible portion of the public broadcasting community. If we continue the dialogue, if funds increase, and if independents continue to listen and try to understand the reality of broadcasting and the needs of the broadcasters, then the prospects for consensus are quite good.

F. Program Fund Commitments to Independent Producers

Fiscal Year	Total Production Funds	Commitments to Indep. Prod./%
1981	19,787,000	8,409,160/42%
1982	20,800,000	8,864,073/43%
1983	20,445,000	9,586,605/47%
1984	20,543,000	10,812,306/53%
1985	23,033,000	12,014,414/52%
1986	23,365,000	8,529,503/37%
1987	28,541,000	11,199,282/39%
TOTAL	$156,514,000	$ 69,415,343/44%